



STATE OF VERMONT
GENERAL ASSEMBLY
JOINT FISCAL COMMITTEE
www.leg.state.vt.us/jfo

Agenda

Thursday, November 21, 2013

Room 10, State House

- 9:00 a.m. Joint Transportation Oversight Committee **[APPROVED AND RECOMMENDED]**
Brian Searles, Secretary, Agency of Transportation
a. The sale of surplus property on Shelburne Road, So. Burlington [19 V.S.A. § 26(b)]
- 9:15 a.m. b. Overview of Western Corridor Rail Rehabilitation Project – ref. JFO #2641
- 9:25 a.m. Adjourn JTOC
- 9:30 a.m. Convene Special Committee for the purpose of approving a project **[APPROVED]**
[CD 1] Joint Fiscal Committee and the Chairs of the House and Senate Committees on
Transportation [19 V.S.A. § 10g(i)] [2 *doc*]
Overview of Western Corridor Rail Rehabilitation Project – reference JFO #2641
Secretary Searles
- 9:45 a.m. Adjourn Special Committee
- 9:50 a.m. A. Call to order Joint Fiscal Committee, and approve minutes of September 11, 2013.
- 9:55 a.m. B. Joint Fiscal Office Updates **[Fiscal Office Budget Recommendation]**
1. Fiscal Officer's Report – Stephen Klein, Chief Fiscal Officer [2 *docs*]
2. Education Fund Outlook – Mark Perrault, Senior Fiscal Analyst [*doc*]
3. Discussion on Draft Statutory Purposes for Tax Expenditures – Sara Teachout,
Senior Fiscal Analyst [*doc*]
- 10:30 a.m. C. Lottery Commission Report on Keno Games [Sec. E.141(c) of Act 50 of 2013] [*doc*]
[CD 1, TR 2] Greg Smith, Executive Director, Vermont Lottery Commission
- 10:45 a.m. D. Grant Approval: **[APPROVED]**
[CD 1, TR 3] JFO #2646 – \$300,000 grant from the U.S. Department of Justice to the
Vermont Judiciary. These funds will be used in Windham County to implement a
domestic violence docket that will enhance services to victims of domestic
violence. **One (1) limited service position** is associated with this request.
Patricia Gable, Court Administrator, Vermont Supreme Court [2 *docs*]

[Next Page]

- 11:00 a.m. E. Housing Subsidy Evaluation and Report [Sec. E.300(c) of Act 50 of 2013]
[CD 2, TR 2] Angus Chaney, Director of Housing, Agency of Human Services [*doc*]
- 11:15 a.m. F. Green Mountain Care Board and Dept. of Financial Reg. Bill Back Update
[CD 2, TR 3] [Sec. 37c(b) of Act 79 of 2013] and Introduction to new Exec. Director, GMCB
Al Gobeille, Chair, Susan Barrett, Executive Director, Michael Donafrio, General Counsel, GMCB
- 11:30 a.m. G. Administration's Fiscal Updates
[CD 2, TR 4] 1. LIHEAP Update – Richard Moffi, Fuel Assistance Program Chief, Department for Children & Families
2. Veterans' Home Update – Jeb Spaulding, Secretary, Agency of Administration
[CD 3] 3. FY2014 Budget Adjustment Pressures, and FY 2015 Budget Development System & Process - Jim Reardon, Commissioner, Dept. of Finance & Man.
- 12:15 p.m. H. Geographic Information System report on the Sustainability of the Program [2 *doc*]
[CD3, TR 2] [Sec. E.123(a) of Act 50 of 2013]
David Brotzman, Executive Director, Vermont Center for Geographic Information System
- 12:30 p.m. I. State Hospital Staffing and Capacity Recommendation
[CD 3, TR 3] a. Staffing [Sec. E.314.2(a)(3) of Act 50 of 2013] [*doc*]
Senator Sally Fox, Chair, Mental Health Oversight Committee, and
Senator Ginny Lyons, Chair, Health Care Oversight Committee
b. Capacity - Paul Dupre, Commissioner, and Frank Reed, Deputy Commissioner, Department of Mental Health [*doc*]
- 12:45 p.m. J. Recommendations from the Joint Corrections Oversight Committee on Home
[CD 3, TR 4] Detention and Home Confinement. [Sec. E.335(b) of Act 50 of 2013]
Representative Heath
- 1:00 p.m. Adjourn

Other Reports:

General Government

- I. Annual report on allocation of funds contained in annual pay acts [3 V.S.A. Sec. 2281(4)]
[Department of Finance & Management] [*received*]
- II. Quarterly report on small grants [32 V.S.A. § 5(a)(3)] [Joint Fiscal Office] [*received*]
- III. Quarterly report on excess receipts and additional memo response from JFO. [32 V.S.A. § 511]
[Administration] [*received*]
- IV. Annual report on special funds created and special fund balances [32 V.S.A. § 588(6)]
[Administration] [*received*]

- V. Quarterly report on measures and milestones of challenges for change.
[Sec. H4(a) of Act 146 of 2010] [Agency of Administration]
[refer to memo – 11/2012 JFC meeting – titled “Challenges memo” online]
- VI. Quarterly progress report reflecting the outcomes and measures as applied to the projects funded under this section [Sec. 49(i) of Act 40 of 2011] [VT Telecommunications Authority] *[received]*
- VII. Annual report on tax computer system modernization fund receipts [Sec. 282(e) of Act 65 of 2007 as amended by Sec. C.103 of Act 63 of 2011] [Department of Taxes]*[received]*
- VIII. Quarterly report on state match for Tropical Storm Irene or Spring flooding
[Sec. 77a(b) of Act 75 of 2012] [Administration] *[received]*
- IX. Irene Recovery - Status of FEMA Funding [Sec. E.100.1 of Act 50 of 2013] [Administration]
[received]
- X. Written report on the status of positions authorized in FY2014 and existing pool positions that have been assigned to date. [Sec. E.100(c) of Act 50 of 2013] [Administration] *[received]*

Protection

Quarterly report of costs and expenditures for proceedings of the Federal Energy Regulatory Commission [30 V.S.A. § 20(b)(9)] [Department and Board – Public Service] *[received]*

Commerce

Joint annual report on Vermont Economic Growth Incentives (VEGI) [32 V.S.A. § 5930b(e)] [Department of Taxes and VT Economic Progress Council] *[received]*

Human Services

- I. Quarterly progress report on joint prescriptions agreements. [33 V.S.A. § 1998(c)(6)] *[memo – no longer necessary]* [Agency of Human Services and Departments of Human Resources and Vermont Health Access]
- II. Vermont State Hospital; Secure Residential Recovery Program quarterly update
[Sec. 31(f)(3) of Act 43 of 2009] [Department of Mental Health]
[refer to memo – 7/2012 JFC meeting – titled “residential recovery” online]
- III. Notification to Pharmacy Program Beneficiaries review [Sec. E.307.5(a) of Act 50 of 2013]
[Department of Vermont Health Access] *[received]*

Follow-up

VT Campaign Finance System Development Expenditures Report
[Sec. C.100.1(b) of Act 50 of 2013] [Secretary of State] *[received]*



STATE OF VERMONT
LEGISLATIVE JOINT FISCAL COMMITTEE

Thursday, November 21, 2013

Minutes

Members present: Representatives Ancel, Branagan, Heath, Johnson, and Sharpe, and Senators Ashe, Kitchel, Sears and Snelling.

Other Attendees: Administration, Joint Fiscal Office, and Legislative Council staff, and various media, lobbyists, advocacy groups, and members of the public.

The Joint Transportation Oversight Committee convened at 9:00 a.m. and Brian Searles, Secretary, Agency of Transportation, gave an overview of the items up for action.

The Joint Transportation Oversight Committee, under the statutory authority of 19 V.S.A. § 26(b), approved a motion to reject the offer of \$411,000 for the 1775 Shelburne Road property in South Burlington and, further, that Vermont Transportation (VTRANS) prepare draft legislation for inclusion in the FY 2014 Budget Adjustment Act authorizing VTRANS to list the property with a real estate broker and convey the property by warranty deed.

The Committee approved JFO #2641 – the Western Corridor Rail Rehabilitation Project. Senator Mazza chaired the Committee. The Committee then adjourned at 9:15 a.m.

A Special Committee convened at 9:25 a.m. by the Chair, Representative Heath, which included the Joint Fiscal Committee and the Chairs of the House and Senate Transportation Committees, with Representative Brennan absent and Senator Mazza present. The Special Committee convened on the grounds of 19 V.S.A. § 10g(i) in consideration of the approval for the Western Corridor Rail Rehabilitation Project grant (JFO #2641).

Brian Searles, Secretary, Agency of Transportation, distributed information on the grant and gave an overview of the project details. The Joint Fiscal Office provided information on the procedure for approving the grant. After Committee consideration of the testimony and materials, Senator Kitchel moved to approve the grant, and Representative Sharpe seconded the motion. The Committee accepted the motion.

The Special Committee adjourned at 9:35 a.m. and the Joint Fiscal Committee convened its meeting.

A. Call to Order and Approve Minutes

The Chair, Representative Heath, called the meeting to order at 9:45 a.m., Representative Ancel moved to accept the minutes of September 11, 2013, and Representative Johnson seconded the motion. The Committee adopted the minutes.

B. Joint Fiscal Office Updates – 1. Fiscal Officer's Report

Stephen Klein, Chief Fiscal Officer, Joint Fiscal Office (JFO), provided the fiscal officers report and a draft budget for the JFO. He focused on the Office budget document that reflected a one-time expense of \$80,000 to the Department of Taxes for JFO's share of the new tax estimation system. The system would enable the JFO to have the ability to analyze tax data separately from the Department through a linked access to the system. Mr. Klein stated it was unknown what additional costs there could be for health care financing. The JFO budget had a 1.3% base budget increase with an annualization for the new revenue position. There was \$20,000 set aside for additional health care reform expenses.

Senator Ashe asked if the JFO survey's performance indicators fluctuation for non-partisanship had led to any conclusion from the office. Mr. Klein responded that the slightest change in numbers could move percentages. In the previous biennium, the minority party expressed concern for being underserved and requested a dedicated staff. This year, the office made a strong effort to amend that issue and was hopeful its efforts would be reflected in the next survey. Representative Heath agreed with Mr. Klein that the Office went out of its way to ensure the minority party received all the information it requested. Mr. Klein added that the Office dedicated some of Stephanie Barrett's time in support of the House minority party caucus, and, in addition, the Office increased its meetings with the House minority leadership to review support.

Representative Ancel inquired if the response rate had increased because of the ability to complete the survey online, and if so, what the response rates were for House and Senate surveys. Sara Teachout, Senior Fiscal Analyst, Joint Fiscal Office, replied that the ability to complete the surveys online made a measurable difference, and she offered to send that information to the Committee. Mr. Klein added that another evaluation in response to the recent legislative briefing would be sent out to members in the next few days.

Representative Heath commented that the JFO budget format was reflective of the direction in which the appropriations committees were moving, which was a results-based accountability format. Senator Ashe inquired what the FY2015 JFO budget pressures may be for health care. Mr. Klein explained that if the Legislature requests the Office to research costs associated with a change from premiums to single-payer health care, there would be significant costs associated with that research.

Representative Heath inquired if there was carryforward from the previous budget to cover any costs associated with FY2014. Mr. Klein responded the JFO budget had \$80,000 of carryforward that was used to cover the cost of the tax system, and an additional amount of about \$37,000 would be held over for discussion with the Administration about reversions to the General Fund as one-time funds.

Representative Ancel moved to recommend the draft JFO budget to the House Committee on Appropriations, and Representative Johnson seconded the motion. The Committee approved the motion.

2. Education Fund Outlook

Mark Perrault, Senior Fiscal Analyst, Joint Fiscal Office, distributed information on the most recent education fund outlook. On December 1, 2013, the Commissioner of Taxes was prepared to make a formal recommendation to the Legislature for the FY2015 proposed tax rates based on a consensus outlook between the Department and the JFO. A more accurate reflection of education funding would not be known until February 2014, but assumptions from the Agency of Education forecasted a 3.8% growth in spending for the next fiscal year. The previous year was 5.1%, but even with the lower growth rate, it would still imply a \$57 million increase in spending.

Mr. Perrault explained that last year the Education Fund had a \$19 million surplus to fill the budget gap, but this year there would be no surplus to fill the gap. Adding increased pressure to the tax rate was the education grand list that could possibly have negative growth until FY2017. Mr. Perrault stated that recently the Commissioner of Taxes indicated to the House Committee on Ways and Means that the recommendation to increase the education property tax rate may be 3-7% cents. He referred to two graphs distributed earlier, and announced that for the first time the residential property tax rate would exceed the nonresidential property tax rate, which triggers a provision in statute that allowed the Commissioner additional flexibility in setting the rate between the three property tax classes.

Mr. Perrault explained that there was \$1.25 million added to the General Fund transfer and \$11.8 million of one-time funds was available from the supplemental property tax relief fund that could be used to reduce the property tax rates in FY2015. Also, the Tax Department reported for the first time that the base education amount, that was inflation driven, would see a reduction. This change would not change the amount of taxes collected but the spending amount to the base rate would be larger, translating into higher rates.* Education enrollment continues to decline overall in Vermont schools but has slowed to a one-half percent instead of one percent in a year.

Representative Sharpe asked for an overview of what the residential and nonresidential grand list looked like, and Mr. Perrault stated he would provide something to the member. Senator Ashe inquired what source of data was causing the estimates for the grand list to show a negative growth in the next two years. Mr. Perrault explained that the information was based on forecast numbers from Tom Kavet but the decline was very small and almost flat. It also showed that there would be normal growth moving forward. Senator Kitchel asked what the overall school spending estimates were for 2015. Mr. Perrault stated that the Agency of Education calculation of school spending showed an increase by 3.8% or \$57 million. Representative Heath queried how the Agency calculated the estimates. Mr. Perrault explained that the Agency used estimates through trends and spending in individual towns but could change depending on school and teacher negotiated contracts. Senator Ashe requested that Mr. Perrault work with Nolan Langweil of the Joint Fiscal Office to identify the growth in education funding projections that were attributable to health care costs and report back to the Committee. He explained that there was concern over the expansion of health care to bus drivers, substitute teachers, and other part-time or temporary workers that could affect town budgets.

***Note:** *We learned, subsequent to the JFC meeting, that the reported base education amount was incorrect. Consequently, the Commissioner of Taxes issued a second letter with revised consensus education tax rates based on the correct base education amount.

3. Discussion on Draft Statutory Purposes for Tax Expenditures

Sara Teachout, Senior Fiscal Analyst, Joint Fiscal Office, distributed the latest draft of the statutory purposes for tax expenditures list. She explained the changes since the last meeting and informed the Committee that the Legislative Council had created a draft bill along with its recommendations for the Committee to present to the Legislature as mandated by Sec. 5 of Act 73 of 2013 which amended 32 V.S.A. § 312 of the statutes. Representative Heath suggested the Committee meet one more time to discuss its final recommendations and draft bill in the early part of the 2014 legislative session. Senator Ashe commented that the standing committees of jurisdiction should develop the final language of the bill, and he asked if it were too late to introduce a bill this session. Representative Ancel clarified that the draft bill presented to the House Committee on Ways and Means and the Senate Committee on Finance would be a working draft that the two standing committees could revise and work from to create the final version introduced to the Legislature. Peter Griffin, Legislative Counsel, responded to Senator Ashe's question stating that it was late in the process but there was an exception for the standing committees to go to the Rules Committee for approval to introduce bills, or a standing committee could use an existing bill as a vehicle. He added that there was a significant amount of language to the draft bill—approximately 30 pages. Mr. Griffin stated that the deadline for all drafting requests for the Senate, including committee bills, was December 13, 2013. Senator Ashe proposed that the JFO and the Legislative Council continue to work on the draft bill and send revisions to the Committee through the same process as grant requests to meet the December deadline for introduction of new legislation.

Representative Sharpe commented that he thought it would be a mistake to not move forward with the draft language, and he suggested the Committee accept Senator Ashe's proposal. Representative Heath agreed with the suggestion. The Committee agreed to complete its recommendation and draft bill through the same process as grant requests, and allow either the Senate Finance Committee or Senator Ashe to introduce the bill. Senator Ashe made a final suggestion to have the JFO version of the bill be sent to the Committee to work from rather than the actual draft bill for ease of understanding.

C. Lottery Commission Report on Keno Games

Greg Smith, Executive Director, Vermont Lottery Commission, distributed the report from the Lottery Commission and his written testimony. Representative Heath asked if the Lottery Commission had a recommendation. Mr. Smith responded that the report was based on legislation requesting information on specific questions asked by the Legislature. Senator Sears clarified that the intent of the language for the report was to gather more information after the discord from the conversation on break-open tickets. In addition, the Legislature found it worthwhile to explore other revenue areas to enhance the Education Fund. Representative Heath asked the Senator what the Legislature's intent had been to have the report sent before the Joint Fiscal Committee. Senator Sears responded that there was a compromise by the members of the Legislature that voted to have the JFC receive the report, with the option of producing legislation in time for the 2014 session.

Representative Heath asked if the Lottery Commission planned to move forward with introducing the game of Keno without the Legislature's consent. Mr. Smith responded that the Commission preferred to have the support of the Legislature and the Administration before moving forward. He added that the new game could be ready by next summer to be introduced to the public if it were generally supported. Senator Ashe agreed that Keno had a unique game structure and that the Commission should wait for support from the Legislature before instituting the game. He then asked for data and analysis on the people that played lottery games, such as player income, amount spent on games, types of games played, age of players, and demographics of players. Mr. Smith referenced the information in the Commission's Report that included data from 2008 and 2012 surveys. He stated he would send the most recent survey [2012] to the Committee. Representative Sharpe commented that he had reservations about changing the current structure of games. Senator Kitchel offered that the committees of jurisdiction would have a chance to weigh in and vet the proposal during the 2014 legislative session.

D. Grant Approval - JFO#2646: [\$300,000 grant from the U.S. Department of Justice to the Vermont Judiciary. These funds will be used in Windham County to implement a domestic violence docket that will enhance services to victims of domestic violence. One (1) limited service position is associated with this request.]

Patricia Gable, State Court Administrator, summarized the grant. The model for the grant came from a former domestic violence court program that tied a judge between a related case from family court and criminal court. It was successful until the State's Attorney withdrew from cooperation with the program. The courts conducted two types of evaluations to better understand why the program failed. One internal evaluation tried to determine what could have been done to avoid the withdrawal of the State's Attorney and what could have been done better for the coordination of the program. The second evaluation compared different types of recidivism rates with the Integrated Domestic Violence (IDV) court that was studied and documented through Max Schuleter of the Vermont Center for Justice Research.

The court administration had subsequently developed a protocol for grants to go before the Supreme Court to ask questions, such as what are the impacts on the public, staff, the court system and State government. Future grants should include the flexibility of equal access to justice within all the courts with a more regional planning ability.

Senator Sears showed his disappointment for the IDV court leaving Bennington, and commented on the potential causes of the IDV program ending. He questioned the proposed increase in the budget from the previous \$35K in Bennington to \$150K in the new location. Senator Kichel commented that she appreciated the presentation because it allowed the conversation around the issues involving the State's lack of consistency and sustainability for funding the program. She moved to accept the grant, and Representative Johnson seconded the motion. The Committee agreed to accept the motion with Senators Ashe and Sears voting no.

E. Housing Subsidy Evaluation and Report

Angus Chaney, Director of Housing, Agency of Human Services (AHS), distributed a summary of the House Subsidy Evaluation process and its subsequent report and appendix of the AHS housing inventory. He explained that the Agency's initial question was "How was housing currently defined within the programs of the Agency of Human Services?" The Agency was

currently dedicating \$34 million for its housing programs, and it had requested from those programs the data that would give the actual amount spent and results of the programs for 2013. From there, the Agency assessed whether there was consistency in how programs were being evaluated.

Mr. Chaney referred to page 5 in the report and reviewed the Agency's seven strategies for supporting Vermont housing. A question arose on how the Agency could borrow from the Results Based Accountability (RBA) model to achieve consistency within the measures for evaluating the program's performance. Appendix B of the report evaluated the State's seven housing rental subsidy programs. Five of the programs' primary functions were housing subsidy and two had only a component of subsidy. Questions about the programs included whether they were temporary or permanent, and what the intended and capped length of stay was for the participants. Sequestration had impacted overall Agency programs in a way that made it harder to transition people off subsidy but State housing programs were taking some of the pressure off those areas.

Senator Ashe inquired if Mr. Chaney was aware of areas of the Agency's budget that would need backfilling in the FY2014 Budget Adjustment (BAA) from federal cuts, such as sequestration. Mr. Chaney responded that he was unaware of any proposed BAA proposals for the Agency. Senator Ashe asked that if the Agency could fill specific lost federal funding, what would be at the top of the list. Mr. Chaney explained that if the Agency had increased funding from the State, he would reward programs that had met the task of developing good measures and outcomes and had real results showing a positive performance, thereby reinforcing the merits of those programs.

Senator Kitchel referred to the recommendations on page 15, under "Subsidies," of the report and asked what the intent and implications were for avoiding creating future "siloed" subsidy programs. Mr. Chaney explained that the intent was to brainstorm ways to cost-share between the existing subsidy programs that have a history of low costs and good results to better leveraging funds.

F. Green Mountain Care Board and Department of Financial Regulation Bill Back Update

Al Gobeille, Chair, Susan Barrett, Executive Director, Michael Donafrio, General Counsel, Green Mountain Care Board (GMCB), introduced themselves to the Committee. Mr. Gobeille explained the current status of the Board and how bill back fit into its functions. The GMCB has three main functions. One was regulation of Vermont's health care industry through means, such as the approval of Certificate of Needs (CON), hospital budget review, and insurance rate review. In order for the GMCB to deliver those services, it has the authority to bill back to the organizations it regulates. A second area was innovation of the health care system through payment and delivery system reform. The third was an evaluation process for testing models and pilots the Board creates, and the eventual evaluation of the financial viability of the Green Mountain Care proposal as required under Act 48 of 2011. The GMCB could utilize the bill back process for its needs to complete its mission.

Senator Kitchel asked for clarification of which functions the GMCB has the authority to bill back, and what were the parameters. Mr. Donafrio explained that the statutory authorization for the Board was broad. Representative Sharpe showed concern for information requested during the previous September Committee meeting along with prior Board representatives that alluded to the Board not following the statutory percentages of the bill back language. Senator Ashe reiterated that concern but added that follow-up legislation allowed for the reality of how the Board billed back for

its work. Mr. Gobeille stated that there had been issues in the past with the percentages due to income streams funding a system that the Board was moving away from. Senator Kitchel reiterated the request for information at the September Committee meeting from the previous GMCB staff. Representative Ancel added that one of the components of the information request was a full report on what the Board's full authority was and the legislation that amended the Board's authority during the previous session.

G. Administration's Fiscal Updates – 1. LIHEAP Update

Richard Moffi, Fuel Assistance Program Chief, Department for Children & Families, presented the Low Income Heating and Energy Assistance Program (LIHEAP) update. Mr. Moffi explained that there was \$16 million released in the first two quarters of the LIHEAP block grant, and 21,000 plus households received a benefit. The Department was able to process the grants daily, and then transfer the funds by the evening to the bank. This enabled the fuel dealer to receive the payment electronically by the next morning. The average full season benefit was \$780, just below the target benefit of \$797. Oil, propane, and kerosene clients that were in the Margin-Over-Rack (MOR) program covered 31% of the benefit households.

Senator Kitchel asked how many fuel dealers had stayed with the program, and Representative Ancel queried how many households were affected by the loss of dealers. Mr. Moffi responded that there were thirteen dealers owned by nine separate companies that left the program, affecting 6% or 1,500 clients. The Department was working, as of the prior week, with 750 clients to find a new dealer. The most challenging clients have been propane customers but the number has reduced from 335 to fewer than 200 clients.

Senator Sears commented that a fuel dealer in his area stated that he left the program because he had concerns for charging non-discount customers a higher rate to recoup the loss from discounted customers. Mr. Moffi stated that could in fact happen if the dealer wanted to maintain its level of income. By analyzing the data on all thirteen dealers, it was estimated that the dealers would need to raise 2/10 of a penny to cover the contracted rate of their LIHEAP clients. Jeb Spaulding, Secretary, Agency of Administration, commented that the revised discounted program was allowing the Department to buy a minimum of 200K gallons of additional fuel for eligible Vermonters, and 157 or 90% of dealers stayed with the program. Representative Ancel asked what the deadline was for the client to find a new dealer to receive the benefit. Mr. Moffi responded that there was no deadline and that no customers would be dropped from the program because they did not have a dealer.

2. Veterans' Home Update – Jeb Spaulding, Secretary, Agency of Administration

Jeb Spaulding, Secretary, Agency of Administration, gave an update on the Vermont Veterans' Home (VVH). He explained that in the past few months there had been positive momentum to VVH. The facility has retained its license from the Centers for Medicare and Medicaid Services (CMS), and its census had increased to over 150. He cautioned that there was still work to be done that could require additional State financial support in the FY2014 Budget Adjustment Act (BAA) and the FY2015 State Budget. Additionally, even if the facility reaches its full census, it may still need State support to sustain itself over the next couple of years.

Senator Sears commended the Administration for its work that had led to the VVH's positive progress. Secretary Spaulding stated that the VVH management, board and staff communication and relations had significantly improved over the past few months but the

Administration hoped to propose some changes to the statutes on staffing to further improve the financial viability of the facility. The Administration was negotiating with the Vermont State Employees' Association (VSEA) to bring a mutually agreed-upon proposal to the Legislature for final approval.

Senator Kitchel suggested that some veterans may not be aware of the resources of the facility and of their eligibility. The VVH should be marketed through the veterans' community as available to veterans and family members. Secretary Spaulding offered that within the Administration's proposed statutory changes, VVH senior positions would be converted to exempt positions. One of those converted positions would be an outreach coordinator to draw in veterans to the VVH. Representative Sharpe asked if the issue of converting some staff from full-time to part-time had been resolved. Secretary Spaulding responded that the Administration and the VSEA were in the process of working out the details but there was no disagreement from any of the parties that the VVH should have some part-time staff to alleviate some of the financial burden. The concern from staff was to ensure that the quality of care would not diminish due to this change.

3. FY2014 Budget Adjustment Pressures, and FY2015 Budget Development System & Process

Jim Reardon, Commissioner, Department of Finance & Management, gave an update on the FY2014 BAA pressures and the FY2015 revised budget development system and process. He explained that within the FY2014 BAA, the Homeowners Rebate Program would need additional funding, and Debt Service came in \$400K above estimates. Other pressures were the costs associated with transporting clients to the State Hospital by Sheriffs, and the increased Medicaid program estimate of \$4.4 million to \$6.4 million, plus \$1.5 million for autism temporary support services. A constant increase in the detainee population in corrections was creating ongoing budget pressures. The Rutland pesticide cleanup costs would be approximately \$.25 million. An area for savings was in a lower amount than estimated in the four pay period health insurance rate holiday to State employees. The Commissioner closed by stating that the FY2015 budget instructions had been sent to the agencies and departments, asking them to level fund their budgets, and the Department was at the final stages of its budget discussions with those agencies and departments. The Department had also completed its public hearings on State budget concerns.

H. Geographic Information System report on the Sustainability of the Program

David Brotzman, Executive Director, The Vermont Center for Geographic Information System (VCGIS), summarized his report and the VCGIS fiscal concerns. Currently VCGIS's budget was made up of about 40% of project grants. The current six staff of VCGIS were not able to work on project grants as well as support State entities. The VCGIS was sustained by a large federal grant for broadband mapping that would end in September 2014. If an alternative to this loss of funding was not discovered, then it was evident that there would be staff reductions in the organization.

Mr. Brotzman explained that in 2012, VCGIS became aware of losing its federal grant in 2014. The organization developed three strategic planning sessions to reassess its mission and the fiscal impacts of losing its biggest grant. The VCGIS' board requested that Mr. Brotzman pursue the possibility of a merger with the Department of Information and Innovation (DII). The projected savings to the organization with the merger was at least \$74K a year. The benefit to the public was continued and sustained free access to statewide data.

Representative Ancel asked for clarification on whether VCGIS could operate on fewer funds and be more efficient in its work to accomplish its goals. Mr. Brotzman stated that was not possible because the organization would lose half its staff and limit its ability to perform all the work that demand produced. Representative Ancel inquired if VCGIS would be able to sustain itself if project funds continue at the current amount. Mr. Brotzman stated yes but it was anticipated to decline in future years. Senator Ashe asked how many states had a similar organization as VCGI, and of those, how many were associated with their state universities as a quasi-state entity. Mr. Brotzman responded there were 50 states with an organization similar to VCGI and only about two were still affiliated with their state universities. Most geographic information system organizations had appended themselves to their state information technology departments. Senator Ashe commented that VCGI and Vermont Telecommunications Authority (VTA) both did mapping and were contemplating their futures. He suggested that the State not perpetuate duplication when deciding the futures of those two entities.

Senator Kitchel asked if the estimated savings around the merger proposal was a net after all the costs allocations to VCGI. Mr. Brotzman agreed there was a net savings. Representative Sharpe inquired if VCGI had released the copyrights for its work on the tax imagery program it inherited. Mr. Brotzman responded it had released them and made them available online for free to the public, but the State still owned the material. Representative Heath commented that the estimates were not reasonable if pay and benefits were projected as a constant since those numbers change through State bargaining. She suggested VCGI work with the Administrations finance team to get better estimates for its FY2015 budget testimony.

I. State Hospital Staffing and Capacity Recommendation - a. Staffing

Senator Sally Fox, Chair, Mental Health Oversight Committee, and Senator Ginny Lyons, Chair, Health Care Oversight Committee, summarized the staffing and capacity of the State Hospital report recommendations. Senator Fox stated the conclusion of the two Committees was to recommend that the State Hospital be fully funded at 25 beds. In addition, the plan to recruit, hire, and train staff should be accelerated to allow for a quicker opening. The joint committee recommendations were decided under the following assumptions: the State would continue to fully support the current mental health community system; the Morrisville treatment center would close and the Fletcher Allen Hospital beds would not be available once the new State Hospital opened; and all the beds in the Brattleboro Retreat and the Rutland facility would be fully operational. Senator Fox commented that the State should be cognizant that the known capacity numbers may not be actual complete numbers of all people seeking or in need of treatment.

Senator Lyons explained that the report recommendations were difficult to determine without the acuity of the patients involved. The joint committees requested a plan from the Department on the appropriate staffing levels based on best practices and after reviewing current certifications and standards for patient treatment and staff training.

Senator Fox offered a final recommendation that the Department have a contingency for overflow if the facility reached capacity. The Committee had a discussion on the State's investment to community-based services, future capacity demand, and transitioning enough experienced staff with new staff to the State Hospital.

Senator Kitchel brought up the issue of Sheriffs supervising patients because of a lack of beds available, which created additional costs as well as lagged medical treatment for the patient. Senator Fox added that there were people waiting in correctional systems for an available treatment bed as well. She stressed the need to move quickly to transition people to the new facility.

b. Capacity

Paul Dupre, Commissioner, and Frank Reed, Deputy Commissioner, Department of Mental Health, gave an update on the current status of the State's mental health capacity of level one beds. The Brattleboro Retreat had finished its renovations and had a capacity of 14 beds; the Rutland Regional Medical Center had a capacity of 6 beds; Fletcher Allen Hospital had 7 State contracted beds; and the Morrisville facility, at Copley Hospital, had an 8 bed capacity.

Commissioner Dupre agreed with the joint committee report on the capacity of the new State Hospital of 25 beds. He added that the Department would recommend in its FY2015 budget for an additional 3-6 overflow beds as a contingency plan. Representative Heath asked for the Department's vision for opening the new facility and the plan for staffing it. Commissioner Dupre explained that the Department had analyzed timelines for the opening of the State Hospital from best case scenario developed in partnership with the Department of Buildings and General Services (BGS). By May 15, some staff could be moved into the new facility for training and setup; by June 15, the punch list would be finished; within a week, the Licensing and Protection Agency would inspect and license the facility; and the new facility would then be ready to open the end of June or beginning of July. At that juncture, the 8 patients and the staff of Green Mountain Care would be transferred to the new facility. By early to mid-July, the facility would have enough trained staff to cover a total of 16 beds. Finally, by August 18, the full 25 beds would be ready for occupancy.

Commissioner Dupre stated that the aforementioned scenario was very ambitious because of all the paperwork and negotiations involved in all the pieces of the health care system. However, the Department did agree with the joint committees' report that the facility should open sooner rather than later to alleviate pressures on hospital emergency rooms and correctional facilities. He cautioned the committees that safety could become an issue if the project was rushed, and he suggested that a more realistic target would be early September to open at full capacity. In responding to Representative Heath's question, Commissioner Dupre stated the Department would work with Fletcher Allen Hospital to continue to keep beds open until the facility was at full capacity, and to achieve an earlier timeline for having 25 beds available.

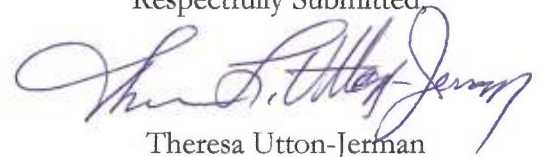
Senator Kitchel asked if the electronic health records system would be different from what the Department had currently been using. Commissioner Dupree responded that the current system would not be able to meet the needs of the new hospital. He stated that the Department had been negotiating a partnership between Fletcher Allen to use their same, larger system. Senator Kitchel inquired if key positions for the facility were filled, including the medical director. Commissioner Dupree responded that those positions' contracts were under negotiation, and it was anticipated that an announcement on the medical director would be forthcoming in a week, and then in place by December. Representative Heath asked if the Department had enough vacant positions in addition to the ones approved by the Legislature to staff the new facility. Mr. Reed explained there were enough for the initial soft opening for 16 beds but additional positions would need to be created for direct care workers, such as nurses and psychiatric personnel. Additional positions for services for the pharmacy, food, administrative quality care personnel, and infectious disease specialists to

monitor the hospital would be needed as well. Mr. Reed suggested the Committee review the addendum to the report dated November 19, 2013 to the joint committees for additional staffing details.

J. Recommendations from the Joint Corrections Oversight Committee on Home Detention and Home Confinement

Representative Heath spoke for the Joint Corrections Oversight Committee as one of its members. She explained that the Committee did not have a recommendation at this time. The Committee adjourned at 1:20 p.m.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Theresa Utton-Jerman", is written over the printed name.

Theresa Utton-Jerman
Legislative Joint Fiscal Office

Statutory Language for November 21, 2013 Meeting

Joint Transportation Oversight Committee

a. The Sale of surplus property on Shelburne Road, So. Burlington [19 V.S.A. § 26(b)]

§ 26. Purchase and sale of property

(b) An acquisition or transfer or the construction under this section of property or rights in property with an appraised or other estimated value of \$500,000.00 or above, or the acquisition or transfer of an option to acquire property with an appraised or other estimated value of \$500,000.00 or above, shall be made with the specific prior approval of the General Assembly of the acquisition, transfer, or construction and its terms or, if the General Assembly is not in session, with the specific prior approval of the Joint Transportation Oversight Committee. The requirement of this subsection shall not apply, however, if the General Assembly has approved a specific project described in the annual Transportation Program and the scope of the project includes the acquisition or transfer of property.

b. Rail Grant [19 VSA §10g] Annual Report; Transportation Program; Advancements, Cancellations, And Delays

(i) For the purpose of enabling the state, without delay, to take advantage of economic development proposals that increase jobs for Vermonters, a transportation project certified by the governor as essential to the economic infrastructure of the state economy, or a local economy, may be approved for construction by a committee comprised of the joint fiscal committee meeting with the chairs of the transportation committees or their designees without explicit project authorization through an enacted transportation program, in the event that such authorization is otherwise required by law.

Special Committee

SEE ABOVE b. – Rail Grant

Joint Fiscal Committee

B. Statutory Purposes for Tax Expenditures [Sec. 5 of Act 73 of 2013]

Sec. 5. TAX EXPENDITURE PURPOSES

The Joint Fiscal Committee shall draft a statutory purpose for each tax expenditure in the report required by 32 V.S.A. § 312 that explains the policy goal behind the exemption, exclusion, deduction, or credit applicable to the tax. For the purpose of this report, the Committee shall have the assistance of the Department of Taxes, the Joint Fiscal Office, and the Office of Legislative Council. The Committee shall report its findings and recommendations to the Senate Committee on Finance and the House Committee on Ways and Means by January 15, 2014. The report of the Committee shall consist of a written catalogue for Vermont's tax expenditures and draft legislation, in bill form, providing a statutory purpose for each tax expenditure. Upon receipt of the report under this section, the Senate Committee on Finance shall introduce a bill to adopt statutory purposes during the 2014 legislative session.

C. Grant Approvals: [32 V.S.A. Sec. 5(a)]

Acceptance of grants and procedures.

(a) No original of any grant, gift, loan, or any sum of money or thing of value may be accepted by any agency, department, commission, board, or other part of state government except as follows: (1) All such items must be submitted to the governor who shall send a copy of the approval or rejection to the joint fiscal committee through the joint fiscal office together with the following information with respect to said items:

*** (2) The governor's approval shall be final unless within 30 days of receipt of such information a member of the joint fiscal committee requests such grant be placed on the agenda of the joint fiscal committee, or, when the general assembly is in session, be held for legislative approval. In the event of such request, the grant shall not be accepted until approved by the joint fiscal committee or the legislature. The 30-day period may be reduced where expedited consideration is warranted in accordance with adopted joint fiscal committee policies. During the legislative session the joint fiscal committee shall file a notice with the house and senate clerks for publication in the respective calendars of any grant approval requests that are submitted by the administration.

D. Lottery Commissioner Report on Keno Games [Sec. E.141(c) of Act 50 of 2013]

Sec. E.141 Lottery commission

(c) The Executive Director of the Vermont State Lottery Commission shall report to the Joint Fiscal Committee at its November 2013 meeting on the operational, fiscal, and public policy issues of allowing Keno games in Vermont.

E. Housing Subsidy Evaluation and Report [Sec. E.300(c) of Act 50 of 2013]

Sec. E.300 HOUSING SUBSIDY; AGENCY EVALUATION; REPORT

(a) Agency of Human Services' spending, represented in the Agency's Housing Inventory, initiated in 2011 contains 193 discrete funding lines. It is in the interest of the State to systematically review the State's spending on all State housing subsidies funded in whole or in part by the General Fund.

(b) The Agency of Human Services shall continue its work on the Housing Inventory. As part of the review, the Secretary shall evaluate the eligibility criteria, duration of the subsidy, expected outcomes for those receiving financial support, and the possible overlaps in the programs.

(c) On or before November 15, 2013, the Secretary shall report findings to the Joint Fiscal Committee, the House Committees on Human Services and on General, Housing and Military Affairs and the Senate Committees on Health and Welfare and Economic Development, Housing and General Affairs accompanied with recommendations to maximize the State's investment of funds and other supports that enhance the ability of Vermonters to achieve stability and independence in their living arrangements.

F. Bill Back Report on Regulated Entities [Sec. 37c(b) of Act 79 of 2013]

Sec. 37c. BILL-BACK REPORT

(a) Annually on or before September 15, the Green Mountain Care Board and the Department of Financial Regulation shall report to the House Committee on Health Care, the Senate Committees on Health and Welfare and on Finance, and the House and Senate Committees on Appropriations the total amount of all expenses eligible for allocation pursuant to 18 V.S.A. §§ 9374(h) and 9415 during the preceding state fiscal year and the total amount actually billed back to the regulated entities during the same period.

(b) The Board and the Department shall also present the information required by subsection (a) of this section to the Joint Fiscal Committee annually at its September meeting

H. Geographic Information System Report on the Sustainability of the Program [Sec. E.123(a) of Act 50 of 2013]

Sec. E.123 Geographic information system

(a) No transfer of functions of the Geographic Information System (GIS) program shall occur in fiscal year 2014 without legislative approval. The Executive Director of the GIS program shall report on or before November 30, 2013 to the Joint Fiscal Committee on potential options for administrative and business office functions to be supported by an appropriate state entity and any other recommendations for long-term financial sustainability of the program.

**I. State Hospital Recommendations for Staffing & Capacity
[Sec. E.314.2(a)(3) of Act 50 of 2013]**

Sec. E.314.2 LEVEL 1 PSYCHIATRIC CARE EVALUATION

(a)(1) The Mental Health Oversight Committee and the Health Care Oversight Committee shall hold a joint meeting in November 2013 for the purpose of evaluating the capacity needed to treat patients in the care and custody of the Commissioner of Mental Health, specifically regarding the capacity needed within the Level 1 system of care as established in 2012 Acts and Resolves No. 79. The evaluation shall include:

(3) The evaluation shall assess the number and type of personnel necessary to staff the state-owned and -operated hospital in Berlin as of April 1, 2014. On or before December 15, 2013, the Mental Health Oversight Committee and the Health Care Oversight Committee shall make a recommendation to the Joint Fiscal Committee as to the number and type of personnel needed to operate the state-owned and -operated hospital on April 1, 2014.

J. Recommendations from JCOC on Home Detention and Home Confinement [Sec. E.335(b) of Act 50 of 2013]

Sec. E.335 JOINT CORRECTIONS OVERSIGHT COMMITTEE; HOME DETENTION; HOME CONFINEMENT

(a) The Joint Committee on Corrections Oversight, in consultation with the Commissioner of Corrections and other stakeholders, shall develop a proposal to increase the use of home detention and home confinement in lieu of incarceration in a correctional facility. The Committee shall consider the following:

(b) The Committee shall report its recommendations to the Joint Fiscal Committee prior to its regularly scheduled November meeting for consideration for inclusion in the Budget Adjustment Act.

Other Reports/Information:

General Government

I. Annual report on allocation of funds contained in annual pay acts [3 V.S.A. Sec. 2281(4)]

§ 2281. Department of finance and management

(4) to report on an annual basis to the joint fiscal committee at its November meetings on the allocation of funds contained in the annual pay acts and the allocation of funds in the annual appropriations act which relate to those annual pay acts. The report shall include the formula for computing these funds, the basis for the formula, and the distribution of the different funding sources among state agencies. The report shall also be submitted to the members of the house and senate committees on government operations and appropriations;

II. Quarterly report on small grants [32 V.S.A. § 5(a)(3)]

§ 5. Acceptance of grants

(a) No original of any grant, gift, loan, or any sum of money or thing of value may be accepted by any agency, department, commission, board, or other part of State government except as follows:

(3) This section shall not apply to the acceptance of grants, gifts, donations, loans, or other things of value with a value of \$5,000.00 or less, or to the acceptance by the Department of Forests, Parks and Recreation of grants, gifts, donations, loans, or other things of value with a value of \$15,000.00 or less, provided that such acceptance will not incur additional expense to the State or create an ongoing requirement for funds, services, or facilities. The Secretary of Administration and Joint Fiscal Office shall be promptly notified of the source, value, and purpose of any items received under this subdivision. The Joint Fiscal Office shall report all such items to the Joint Fiscal Committee quarterly.

III. Quarterly report on excess receipts and additional memo response from JFO. [32 V.S.A. § 511]

§ 511. Excess receipts

If any receipts including federal receipts exceed the appropriated amounts, the receipts may be allocated and expended on the approval of the Commissioner of Finance and Management. If, however, the expenditure of those receipts will establish or increase the scope of the program, which establishment or increase will at any time commit the State to the expenditure of State funds, they may only be expended upon the approval of the legislature. Excess federal receipts, whenever possible, shall be utilized to reduce the expenditure of State funds. The Commissioner of Finance and Management shall report to the Joint Fiscal Committee quarterly with a cumulative list and explanation of the allocation and expenditure of such excess receipts.

IV. Annual report on special funds created and special fund balances [32 V.S.A. § 588(6)]

§ 588. Special funds; organization and management

All special funds shall be organized and managed in accordance with the provisions of this section.

(1) Purpose and identification. Each special fund shall be established for a specific purpose, identified by a unique name, and managed on the State Central Accounting System under the control of the Commissioner with the actual monies held under the authority and responsibility of the State Treasurer.

(2) Receipts. Each special fund shall consist of receipts specified upon its creation and of transfers from other funds as authorized by the general assembly or by the Secretary of Administration or the Emergency Board pursuant to section 706 of this title.

(3) Interest. All interest earned by a special fund shall be credited to the General Fund, and not to the special fund concerned, except for the interest earned on proceeds of court settlements or private bequests, grants and other awards accepted in accordance with section 5 of this title which specify that interest shall be retained with the principal amount, and except where otherwise expressly provided by law.

(4) Appropriations and expenditures.

(A) All monies to be expended from a special fund shall be appropriated annually by the General Assembly, or allocated pursuant to the authority granted by the General Assembly to the Commissioner of Finance and Management with regard to excess receipts, except when the state responsibility relative to the special fund is solely for the transference of monies between nonstate entities as determined by the Commissioner. No appropriation authorization shall carry forward beyond the fiscal year for which it was granted, except for properly encumbered payments and refunds of prior year expenditures.

(B) Individual amounts expended from a special fund shall be upon the warrant of and in accordance with practices approved by the Commissioner, and shall be in compliance with the purpose of the fund and of any provisions of law or other conditions of the fund's creation.

(C) Special fund expenditures shall not exceed available revenues, except that the Commissioner may anticipate receipts to each special fund and issue warrants based thereon, and in so doing may establish limits on expenditures in anticipation of receipts for any special fund.

(5) Balances.

(A) All cash balances in a special fund at the end of the fiscal year shall be carried forward and remain in the fund unspent until authorized for expenditure in accordance with subdivision (4)(A) of this section or transferred to another fund by the General Assembly or by the Secretary of Administration or the Emergency Board pursuant to section 706 of this title.

(B) Any negative cash balance in a special fund at the end of a fiscal year shall be carried forward and applied against that fund's receipts for the next fiscal year.

(6) Accounting and reporting.

(A) Each special fund shall be accounted for under the direction of the Commissioner, and the balance at the end of the prior fiscal year shall be reported to the Joint Fiscal Committee on or before December 1 of each year.

(B) In addition, the Commissioner shall annually report a list of any special funds created during the fiscal year. The list shall furnish for each fund: its name; authorization; and revenue source or sources. The report for the prior fiscal year shall be submitted to the General Assembly through the Joint Fiscal Committee on or before December 1 of each year.

VI. Quarterly progress report reflecting the outcomes and measures as applied to the projects funded under this section [Sec. 49(i) of Act 40 of 2011]

* * * Vermont Telecommunications Authority * * *

Sec. 49. ADMINISTRATION; VERMONT TELECOMMUNICATIONS AUTHORITY

(i) The VTA shall ensure that any investments made or grants awarded under this section are in furtherance of the goals stated in 30 V.S.A. § 8060(b) and shall use the telecommunications measures established pursuant to No. 146 of the Acts of the 2009 Adj. Sess. (2010) (an act relating to implementation of challenges for change) to track the progress made in attaining those goals through such investments and grants. Beginning October 1, 2011, and for the next succeeding two years, on a quarterly basis, the VTA shall submit to the house committees on commerce and economic development and on corrections and institutions, the senate committees on economic development, housing and general affairs and on finance, and the joint fiscal committee a progress report reflecting the outcomes and measures as applied to the projects funded under this section. This report shall include location-specific information on the progress of deployment of telecommunications technology that does not require the utilization of towers.

VII. Annual report on tax computer system modernization fund receipts [Sec. 282(e) of Act 65 of 2007 as amended by Sec. C.103 of Act 63 of 2011]

Sec. C.103 Sec. 282 of No. 65 of the Acts of 2007 is amended to read:

Sec. 282. TAX COMPUTER SYSTEM MODERNIZATION FUND

(a) Creation of fund.

(1) There is established the tax computer system modernization special fund to consist of:

(A) ~~Eighty percent of The tax receipts received as a direct result of the Massachusetts-sponsored data sharing-warehouse project relative to non-state resident filers initiated by the department of taxes beginning in calendar year 2011; and~~

(B) Eighty percent of tax receipts received as a direct result of the data sharing and comparison project between the Vermont department of labor and the department of taxes relative to entity and employee filings at both departments and/or lack thereof.

(2) Balances in the fund shall be administered by the department of taxes and used for the exclusive purposes of funding ~~phase 3 of the tax department's computer system modernization project supporting: A) corporate tax; B) business income tax; C) property transfer tax; D) fuel gross receipts tax; and E) individual use tax; A) ancillary development of the ETM system necessary for implementation of the data warehouse project and in preparation of the transfer of tax types from the current VIRCS system to the VIRCS/ETM system, including modernization of billing capability; B) payments due to the vendor under the data warehouse project contract; C) enhanced compliance costs related to the data warehouse project; and D) phase 1 of the transfer of five tax types, specifically income taxation of individuals, trusts and estates, withholding tax, sales and use tax, meals and rooms tax, and property tax adjustments, from the current VIRCS system to the VIRCS/ETM system.~~ All balances in the fund at the end of any fiscal year shall be carried forward and remain part of the fund.

Interest earned by the fund shall be deposited into the fund. This fund is established in the state treasury pursuant to subchapter 5 of chapter 7 of Title 32.

(b) Appropriation.

(1) There is appropriated in fiscal year 2008 from the special fund the sum of up to \$7,800,000 to the department of taxes for the purposes described in subdivision (a)(2) of this section. The commissioner shall anticipate receipts in accordance with 32 V.S.A. § 588(4)(C).

(c) Transfer.

(1) Twenty percent of the tax receipts received pursuant to subdivision (a)(1)(A) of this section after payment to the vendor under the data warehouse contract shall be transferred to the general fund annually for the duration of that contract. Thereafter, 20 percent of the tax receipts received pursuant to subdivision (a)(1)(A) shall be transferred to the general fund annually until the expiration of the tax computer system modernization fund.

(d) Fund to terminate.

(1) This fund shall terminate on July 1, ~~2011~~ 2018 and any unexpended unencumbered balance in the fund shall be transferred to the general fund.

~~(d)(e)~~ (e) The tax commissioner shall report to the joint fiscal committee on fund receipts ~~through the first four months of fiscal year 2008~~ at or prior to the November joint fiscal committee meeting each year until the fund is terminated.

VIII. Quarterly report on state match for Tropical Storm Irene or Spring flooding [Sec. 77a(b) of Act 75 of 2012]

Sec. 77a. STATE MATCH FOR TROPICAL STORM IRENE OR SPRING FLOODING; FEMA PAYMENTS TO MUNICIPALITIES

(b) Payments from the emergency relief and assistance fund to municipalities to meet match requirements for FEMA public assistance grants for Tropical Storm Irene or spring 2011 flooding federal disaster relief shall be reported to the joint fiscal committee and the joint transportation oversight committee for the preceding state fiscal year quarters, cumulatively, by April 15, 2012, July 15, 2012, October 15, 2012, and January 15, 2013, and quarterly on those dates thereafter, until such payments have been completed.

IX. Irene Recovery - Status of FEMA Funding [Sec. E.100.1 of Act 50 of 2013]

Sec. E.100.1 FEDERAL EMERGENCY MANAGEMENT AGENCY REPORTING AND OVERSIGHT

(a) The Secretary of Administration shall report to the Joint Fiscal Committee at each of its scheduled meetings in fiscal year 2014 on funding received from the Federal Emergency Management Agency (FEMA) Public Assistance Program and associated emergency relief and assistance funds match for the damages due to Tropical Storm Irene. The report shall include:

- (1) a projection of the total funding needs for the FEMA Public Assistance Program and to the extent possible, details about the projected funding by state agency or municipality;
- (2) spending authority (appropriated and excess receipts) granted to date for the FEMA Public Assistance Program and the associated emergency relief and assistance funds match;
- (3) information on any audit findings that may result in financial impacts to the State; and
- (4) actual expenditures to date made from the spending authority granted and to the extent possible, details about the expended funds by state agency or municipality.

X. Written report on the status of positions authorized in FY2014 and existing pool positions that have been assigned to date. [Sec. E.100(c) of Act 50 of 2013]

Sec. E.100 EXECUTIVE BRANCH – POSITIONS AUTHORIZED IN FISCAL YEAR 2014

(c) The Secretary of Administration and the Commissioner of Human Resources shall provide a written report to the Joint Fiscal Committee at its November 2013 meeting on the status of positions authorized in this section and existing pool positions that have been assigned to date.

Protection

Quarterly report of costs and expenditures for proceedings of the Federal Energy Regulatory Commission [30 V.S.A. § 20(b)(9)]

§ 20. Particular proceedings; personnel

(b) Proceedings, including appeals therefrom, for which additional personnel may be retained are:

(9) proceedings at the Federal Energy Regulatory Commission which involve Vermont utilities or which may affect the interests of the State of Vermont. Costs under this subdivision shall be charged to the involved electric or natural gas companies pursuant to subsection 21(a) of this title. In cases where the proceeding is generic in nature the costs shall be allocated to electric or natural gas companies in proportion to the benefits sought for the customers of such companies from such advocacy. The Public Service Board and the Department of Public Service shall report quarterly to the Joint Fiscal Committee all costs incurred and expenditures charged under the authority of this subsection, and the purpose for which such costs were incurred and expenditures made;

Commerce

Joint annual report on Vermont Economic Growth Incentives (VEGI) [32 V.S.A. § 5930b(e)]

§ 5930b. Vermont employment growth incentive

(e) Reporting. By September 1 each year, the Council and the Department of Taxes shall file a joint report on the employment growth incentives authorized by this section with the Chairs of the House Committee on Ways and Means, the House Committee on Commerce and Economic Development, the Senate Committee on Finance, the Senate Committee on Economic Development, Housing and General Affairs, the House and Senate Committees on Appropriations, and the Joint Fiscal Committee of the General Assembly and provide notice of the report to the members of those committees. The joint report shall contain the total amount of incentives authorized during the preceding year and, with respect to each recipient, the date and amount of authorization, the calendar year or years in which the authorization is expected to be exercised, whether the authorization is active, and the date the authorization will expire. The joint report shall also include the following aggregate information: total number of claims and total incentive payments made in the current and prior claim years, the balance of credits not yet allocated, the number of qualifying new jobs created and qualifying payroll of those jobs, and qualifying new capital investments. The Council and Department shall use measures to protect proprietary financial information, such as reporting information in an aggregate form. Data and information in the joint report shall be presented in a searchable format.

Human Services

I. Quarterly progress report on joint prescriptions agreements. [33 V.S.A. § 1998(c)(6)] § 1998. Pharmacy Best Practices and Cost Control Program established

(c)(1) The Commissioner may implement the Pharmacy Best Practices and Cost Control Program for any other health benefit plan within or outside this state that agrees to participate in the Program. For entities in Vermont, the Commissioner shall directly or by contract implement the Program through a joint pharmaceuticals purchasing consortium. The joint pharmaceuticals purchasing consortium shall be offered on a voluntary basis no later than January 1, 2008, with mandatory participation by State or publicly funded, administered, or subsidized purchasers to the extent practicable and consistent with the purposes of this chapter, by January 1, 2010. If necessary, the Department of Vermont Health Access shall seek authorization from the Centers for Medicare and Medicaid to include purchases funded by Medicaid. "State or publicly funded purchasers" shall include the Department of Corrections, the Department of Mental Health, Medicaid, the Vermont Health Access Program (VHAP), Dr. Dynasaur, VermontRx, VPharm, Healthy Vermonters, workers' compensation, and any other State or publicly funded purchaser of prescription drugs.

Subdivision (c)(1) effective January 1, 2014; see also subdivision (c)(1) effective until January 1, 2014 set out above.

(c)(1) The Commissioner may implement the Pharmacy Best Practices and Cost Control Program for any other health benefit plan within or outside this State that agrees to participate in the Program. For entities in Vermont, the Commissioner shall directly or by contract implement the Program through a joint pharmaceuticals purchasing consortium. The joint pharmaceuticals purchasing consortium shall be offered on a voluntary basis no later than January 1, 2008, with mandatory participation by State or publicly funded, administered, or subsidized purchasers to the extent practicable and consistent with the purposes of this chapter, by January 1, 2010. If necessary, the Department of Vermont Health Access shall seek authorization from the Centers for Medicare and Medicaid to include purchases funded by Medicaid. "State or publicly funded purchasers" shall include the Department of Corrections, the Department of Mental Health, Medicaid, Dr. Dynasaur, VPharm, Healthy Vermonters, workers' compensation, and any other State or publicly funded purchaser of prescription drugs.

(6) The Commissioners and the Secretary shall report quarterly to the Health Care Oversight Committee and the Joint Fiscal Committee on their progress in securing Vermont's participation in such joint purchasing agreements.

III. Notification to Pharmacy Program Beneficiaries review [Sec. E.307.5(a) of Act 50 of 2013]

Sec. E.307.5 NOTIFICATIONS TO PHARMACY PROGRAM BENEFICIARIES

(a) The Department shall ensure that at least once a year a notification is included in a written correspondence to beneficiaries of pharmacy programs to inform the beneficiary that it may be advisable to consult with local community service organizations or state program eligibility officials to review the financial advisability of continuing enrollment in the program. The Department shall submit the notification for review to the Health Care Oversight Committee and the Joint Fiscal Committee not later than November 1, 2013.




State of Vermont
Office of the Secretary
One National Life Drive
Montpelier, VT 05633-5001
www.aot.state.vt.us

[phone] 802-828-2657
[fax] 802-828-3522
[ttd] 802-253-0191

TO Members of the Joint Fiscal Committee, Senator Richard Mazza,
Representative Patrick Brennan

VIA: Peter Shumlin, Governor of Vermont

FROM Brian Searles, Secretary of Transportation 

DATE 10/22/2013

SUBJECT Project authorization pursuant to 19 V.S.A. §10g(i)
Western Corridor Rail Rehabilitation US DOT TIGER 2013

The State has received a grant totaling \$9 0 million from the US Department of Transportation (US DOT) for a project rehabilitating a section of the Western Rail Corridor. This grant has been approved by the JFC at their September 2013 meeting. However, there is no equivalent project in the State's transportation program as approved by the most recent transportation bill (Act 12 of 2013). Therefore, no work may be done on this project until it is added to the approved transportation program – which, per 19 V.S.A. §10g(i), can occur if the project is 1) certified as essential to the economic infrastructure and 2) approved for construction by the JFC and the chairs of the transportation committees.

The following authority is established by 19 V.S.A. §10g(i).

(i) For the purpose of enabling the state, without delay, to take advantage of economic development proposals that increase jobs for Vermonters, a transportation project certified by the governor as essential to the economic infrastructure of the state economy, or a local economy, may be approved for construction by a committee comprised of the joint fiscal committee meeting with the chairs of the transportation committees or their designees without explicit project authorization through an enacted transportation program, in the event that such authorization is otherwise required by law.




OCT 25 2013

The State's application for The Western Corridor Rail Rehabilitation US DOT TIGER 2013 (WCRR) project includes the following points.

- The Western Rail Corridor contributes significantly to the economic competitiveness of the State.
- The WCRR improvements will directly increase the efficiency and effectiveness of the State's transportation system by means of truck and auto trip diversions, interconnectivity via multi-modal connections with the regional and national rail network, and marine freight system.
- The WCRR will have a job creation impact by the estimated creation of 122 construction and related jobs in the short-term, and is essential to the long-term development of 22 jobs.
- The WCRR will proceed to construction quickly and preliminary engineering needs to commence as soon as possible.

I certify the Western Corridor Rail Rehabilitation US DOT TIGER 2013 as essential to the economic infrastructure of the state economy pursuant to 19 V.S.A. § 10g(i) and request authorization for the project to proceed at the November 21, 2013 meeting of the Joint Fiscal Committee.



Governor Peter Shumlin



STATE OF VERMONT
LEGISLATIVE JOINT FISCAL OFFICE

To: JFC +
From: Neil Schickner / JFO
Date: 20 Nov 2013

Re: Western rail corridor Tiger Grant – Special JFC + Trans Chairs procedure

AOT received a Federal Tiger Grant for the installation of welded rail in a specific segment of the western rail corridor. The JFC approved the grant at its September meeting. The grant, however, requires a state match and no such funds exist in the FY14 budget. To start work on the project now, AOT needs authority to re-allocate state funds to satisfy the match. To obtain that authority AOT has invoked this special 19 VSA § 10g(i) procedure. Other key points:

- ▶ The 19 VSA 10g(i) procedure allows the Administration, with the approval of the special JFC+ committee, to add a new project to the state transportation program. This would be problematic if the new project was just the first phase of a very large and expensive project. That, however, is not the case here. Once the project is officially included in the FY14 state transportation plan, AOT will then have statutory authority to re-allocate state funds under certain defined circumstances.
- ▶ My understanding is AOT only needs money in FY-14 for preliminary engineering – around \$50,000 total (\$10,000 state - \$40,000 federal). If that is the case then once the project is authorized by this procedure, AOT will probably be able to find the needed match from a delayed rail project. How much AOT plans to spend in FY-14 and where it intends to get the state match, however, are obviously relevant questions.
- ▶ The FY14 Transportation program includes a project for the installation of welded rail in the western corridor but the Tiger Grant is for a new project along a different section of the line.
- ▶ The Administration has invoked § 10g(i) only once before in 2001 when it sought approval for an “IBM train”. The JFC+ at that time denied the approval on the ground that the project proposal should be considered by the entire legislature and that the 4-6 months delay involved in seeking legislature approval was not prejudicial to the project.

Motion for JFC & T-Chairs, special meeting on potential sale of property on Shelburne Rd., South Burlington. Budget rescission was pegged at \$900,000 based on appraisal, but high bid was only \$411,000.

Motion to be made after the presentation of the options:

**I MOVE THAT THE COMMITTEE REJECT THE OFFER OF \$411,000 FOR
THE 1775 SHELburne ROAD PROPERTY IN SOUTH BURLINGTON AND,
FURTHER, THAT VTRANS PREPARE DRAFT LEGISLATION FOR
INCLUSSION IN THE FY-14 BUDGET ADJUSTMENT ACT AUTHORIZING
VTRANS TO LIST THE PROPERTY WITH A REAL ESTATE BROKER AND
CONVEY THE PROPERTY BY WARRANTY DEED.**

Joint Fiscal Office

One Baldwin Street • Montpelier, VT 05633-5701 • 802) 828-2295 • Fax: 802) 828-2483

MEMORANDUM

To: Representative Martha Heath, Chair
 Senator Jane Kitchel, Vice Chair
 Members of the Joint Fiscal Committee

From: Stephen Klein, Chief Fiscal Officer

Date: November 15, 2013

Subject: November 2013 – Fiscal Officers' Report

What follows is an update of developments, some of which will be on the agenda for the November Fiscal Committee meeting:

1. **FY 2014 Revenues Update:** Revenues – The first four months of the fiscal year are very consistent with forecasts in all funds:
 - a. Through the first four months of the fiscal year, the General Fund overall is basically on target! We are up \$2.3 million or 0.5% over target.
 - i. The income tax is up just over 1.3% some of which could be attributable to timing of refunds;
 - ii. Sales tax is on target due to a slight improvement in October;
 - iii. Corporate tax is the outlier, down \$2.6 million from estimates for the first four months of the fiscal year. Given the volatility of this revenue source, this is not an indicator of its ultimate direction;
 - iv. Meals and Rooms is up \$2 million, or 4% through October;
 - v. Property Transfer and other revenue are essentially on target.
 - b. The Transportation Fund (TF) ended the four month period 1% above target. Neil Schickner points out that the July consensus forecast (incorporating the new revenue initiatives) showed a substantial increase relative to the January forecast, but a \$4.1 million shortfall compared to the assumptions upon which the FY14 budget was based. As required by statute, in September, AOT proposed and the Joint Fiscal Committee approved budget rescissions of \$4.1 million to cover the shortfall. Through October, TF revenue is \$1.0 million above the July forecast target. If this holds, it means that \$1.0 million of the rescissions already made could be restored in budget adjustment. The fund's strength is in purchase and use and fees. Transportation Infrastructure Bond (TIB) fund July–October revenue is 4.9% below target. The 12 month rolling sum of TIB revenue is - 1.7% below the level one year ago. TIB revenues are being hit by a combination of both falling gasoline consumption and falling prices. The 12-month rolling total of gasoline gallons sold as of Oct. is 317.7 million gallons, down 4.5 million gallons from the level one year

- ago. The TF is doing better than TIB because the new TF assessment has a minimum cent per gallon, which TIB does not.
- c. The Education Fund also is just above target, up 0.8%. Purchase and use is the strongest component but all components are on or near target.

2. FY 2014 Budget Adjustment Pressures:

Commissioner Reardon released a summary sheet of FY 2014 Budget Adjustment pressures which net to an increase of \$12 million from the “as passed” budget, or 1% of the General Fund. The \$12 million number is largely a combination of:

- i. \$1.7 million in ANR increases due to post Irene rent
- ii. \$3 million in expenses related to the Veterans Home
- iii. \$1.6 million in Corrections caseload pressures
- iv. \$5–\$9 million in Medicaid increases primarily due to Catamount costs, pharmacy, and inpatient pressures
- v. \$1 million in AHS rent costs transitioning from FEMA-covered costs
- vi. \$7 million of other AHS cost pressures with the largest components being in DMH and DCF
- vii. The increases are partially offset by a \$5 million reduction in health care costs due to a four pay period rate holiday for state employees. The holiday is a result of both moving the State health care plan from CIGNA to Blue Cross, as well as less utilization than expected, and a one-time healthcare balance of \$1.6 million. The document which was presented on October 31 can be found at http://www.leg.state.vt.us/jfo/appropriations/fy_2015/Reardon%20-%20FY%202014%20BAA%20Topside%20overview%20-%20master%2010-15-13.pdf
- viii. The numbers are still changing and will be clearer when the Budget Adjustment is presented to the House Appropriations Committee during the first week of December.

3. FY 2015 Budget GAP

- a. The budget gap projection for FY 2015 remains fluid but is around \$72 million. Assuming current services are covered by current forecast revenue the shortfall could be attributable to two key factors:
 - i. the use of \$56 million in one-time funds in FY 2014 that needs to be replaced in FY 2015.
 - ii. \$15.6 million in State funds that are needed to meet a reduction in the federal share of Medicaid. The FY15 “FMAP” federal percentage was reduced to 54.28%. In FY 2014, the base FMAP was 55.24%
- b. The State Employee and teachers’ retirement system actuarial request will increase a total of \$11 million from FY 2014 to FY 2015. The funded ratio of the two funds dropped slightly in the year ending June 2013. The state employees funded ratio dropped from 77.7% to 76.8%. The teachers’ system funded ratio dropped from 61.6% to 60.5%. The State employees unfunded increase is, in part driven by an increase in the number of employees. For the teachers system, a key driver remains the \$26 million for current retiree health care paid from the retirement fund.

4. The Federal Context:

- a. The federal fiscal context remains one of uncertainty since the FFY 2014 budget is not finalized and we continue to see operations funded by continuing resolutions. With the sequester still in place and the reduced opportunity to find State and federal offsets to the reductions after the first year, the impacts of the sequester should grow.
- b. On the positive side, the Congressional Budget Office reports that the federal deficit has dropped to the lowest level since 2008 due to rising revenues and the cuts that have already taken place. The CBO indicates that:
 - i. The FFY 2013 deficit was \$680 billion or 4.1% of the GDP. In 2008, the deficit was \$450 billion, or 3.1% of GDP.
 - ii. Total federal revenue for FFY 2013 was \$2.8 trillion– the first year that federal revenue receipts exceeded the previous high of FFY 2007. FFY 2013 revenues were \$325 billion, or 13 percent more than revenues in 2012, and 8 percent above their previous peak in 2007.

5. Education Finance

1. **Tax Rates:** Much work has been done on preparation for the Administration's recommended education tax rates, which are due on December 1. Initial runs indicate that the base education amount will decline this year as the inflation index will be lower, resulting in a decline in the amount. This happens as prior years' inflation was overstated and the index is self-correcting over time. An actual decline in the base education payment is a first however. With a lower payment, the spending-adjusted homestead tax rates will grow faster than the base homestead tax rate. This occurs as school districts spend a multiple of the base education payment. If a school district spends 150% of the base education amount, and the base amount is lower, the school district's tax rate will increase, all other things being equal (even without a change in per-pupil spending). With education spending projected to increase by 3.8%, the spending-adjusted tax rates could rise substantially. Mark will present some updated charts to the committee indicating where revenue is shifting within the Education Fund.
2. **July 2015 and Teachers Retirement:** July 2015 takes on added importance as beginning on that date teachers are eligible to retire with spousal health care coverage. In 2010, the State and the teachers agreed on a collection of retirement change, including health care coverage for spouses of retired teachers delayed until July 2015. We do not know how many teachers are waiting until this change kicks in to retire but initial reports are that it could represent a 100 to 200 teacher addition to the usual retirement run rate. This could be an opportunity for school spending savings and to make changes to educational spending parameters. Since it will occur at the start of FY 2016, the legislative decisions of this session would be relevant to shaping how this unfolds.

6. Medicaid Spending Growth Analysis

- a. The Administration, Nolan and Stephanie of our staff have been meeting to determine Medicaid spending needs. The projected spend for FY 2014 is still an area where final consensus is not yet in place. It is likely substantially above the

level Jim Reardon presented to the House Appropriations Committee on October 31st. In addition, the fiscal implications of the Governor's proposal to extend Catamount and VHAP through March have yet to be determined.

- b. As we indicated at the last Joint Fiscal Committee meeting, as part of our work in analyzing the health care reform finances, existing Medicaid services will absorb revenues. With existing spending, known federal match changes, and other adjustments such as the loss of tobacco settlement strategic payments from FY 2014 as passed to FY 2018 projected, we will need an additional \$113 + million in State funds beyond normal revenue growth to support Medicaid before the advent of Single Payer. This estimate will continue to evolve.

7. LIHEAP Update.

- a. The LIHEAP program has recently received two deposits of money. The first is a \$190,000 Amerigas settlement and the second is \$16.66 million allocation from the federal government representing the annual block grant. As you know, the federal budget has not been finalized so the federal funds that Vermont received are not necessarily the correct allocation. The allocation that we received was based upon level funding from last year, not taking into account the 6.1% sequester and the new allocation formula, which does not favor the cold weather states. Last year the federal budget wasn't finalized until April so it is not clear when we will receive our final and correct allocation.
- b. The LIHEAP program administrator is still anticipating a federal allocation of \$16.99 million for the entire heating season. For comparison sake, if the \$16.66 million that Vermont has received was ultimately determined to be the correct amount, since Vermont receives 90% of the block grant in November, the total amount for the season would be \$18.25 million, after some adjustments based upon the new funding formula. However, as mentioned, that is not likely. The \$190,000 settlement fund will be applied as a buffer against any unforeseen events.

8. JFO Tax Analysis and the Tax MOU:

- a. The Tax Department and the Joint Fiscal Office (JFO) have worked to improve the long-term capacity of State tax analysis. The present plan includes as part of the Tax Modernization Integrated Tax System, submitted by the winning bidder FAST, a software system developed by Chainbridge Associates called PolicyLinks. This income tax microsimulation software component will meet the IRS confidentiality requirements and all of the tax data will remain at the Tax Department. The JFO will prepare/develop income tax simulations and send the programs to the Tax Department. The Tax Department will "run" the simulation on the full data maintained at the Tax Department and return the results in the form of pre-determined aggregated reports. The submission by JFO and the resulting run will be encrypted so the Tax Department theoretically does not have access to the information. The Tax Department's responsibility to run the data is expected to be administrative only. This system is expected to be in place by late summer 2014. Once the contracts and system development are resolved, we will work with the Department to update the MOUs as needed to fit with the new technologies and relationship.

- b. An additional sales tax modeling component will also be included as part of the Chainbridge Policy Links package. This has less intensive data requirements and is expected to be operational in a much shorter time frame, optimally 2–3 months

9. The Joint Fiscal Office Budget:

- a. At the meeting, we will be presenting the JFO Draft Budget for Committee review and possible approval. The budget represents an increase of \$85,000 from last year. All but \$10,000 of that represent the ongoing funding for the position created last session to provide increased capacity for data analysis to the revenue committees. During FY2014, that position was funded from one-time funds and now needs to be built into the budget.
- b. Without that position, overall budget growth is just over 1%. With the position, the budget growth is just over 6%. Legislative budgets overall are not yet finalized but the combined growth rate is likely to be in the 2.5%–2.9% range.

10. Other Joint Fiscal Office Updates:

- a. As indicated to the Committee earlier Stephen Klein will receive the Stephen D. Gold Award on Dec. 6 during the National Conference of State Legislatures' (NCSL) Fall Forum in Washington, D.C. The award is presented by NCSL in conjunction with the National Tax Association and the Association for Public Policy Analysis and Management. They will be flying him down for the event.
- b. Stephen Klein has been asked by NCSL to be the NCSL Representative to the Government Accounting Standard Board (GASB) Financial Advisory Group which will involve attendance at three two-day meetings a year and some other preparatory work. Two of the meetings are in Connecticut and New York and one is an undetermined location. Generally, one meeting occurs during the session. The role will be to make sure legislative concerns are considered when the GASB takes action on Governmental accounting issues. What is curious is that the National Governors Association has asked Commissioner Jim Reardon to continue to represent them on the same Advisory Committee. While they will not always agree, the combined voice will be very useful as the organization considers requirements which could have major impacts on small states like Vermont. The Board is considering NCSL's and NGA's request for designation and both Steve and Jim expect to hear in the next month about this.
- c. Catherine, Nolan, and Steve have been working on identifying the analytical tools and the capacities that currently exist for health care finance analysis. This session, the legislature will need to make decisions regarding the resources necessary to provide the legislature with expertise necessary

Klein 11/21/13

	FY13 Act.	FY14 Est.	FY15 Req.
Budget Drafting Support	389,199	389,453	380,498
Committee support	27%	24%	25%
JFOBud system			
Revenue & Finance Support	278,788	405,772	343,792
Committee support	19%	25%	22%
Revenue forecasting			
Transportation	85,872	93,857	92,543
Committee support	6%	6%	6%
Major Area Fiscal Support	425,623	436,136	438,738
Capital	30%	27%	29%
Education			
Health care			
Other areas			
Fiscal notes			
JFC/JFO Operations	186,529	218,069	209,725
JFC staffing	13%	13%	14%
Grants processing			
Office management			
IT development & support			
Legislative branch budgets			
Website & Publications	76,081	73,064	71,554
Website	5%	5%	5%
Fiscal facts & fiscal focus			
	1,442,092	1,616,352	1,536,850

\$1,563,850 General Funds requested for FY2015.

Change in Budget Request

*Base funding increases \$96,162 or 6.7% from FY14 level

*Base funding increase without new tax analyst would have been 1.3%

*Expenditures in FY15 are \$132,458 below FY14 level (including one time expenditures)

FY2015 Budget Activity

*Minimal changes in activity supported by base budget

*Fully incorporates position added in FY14 (revenue/finance)

*\$20,000 budgeted for additional health care reform expenses

One Time Spending in FY14

*\$80,000 for tax estimation initiative

*\$30,000 for Results First initiative

*\$20,000 for renovations and tax room security

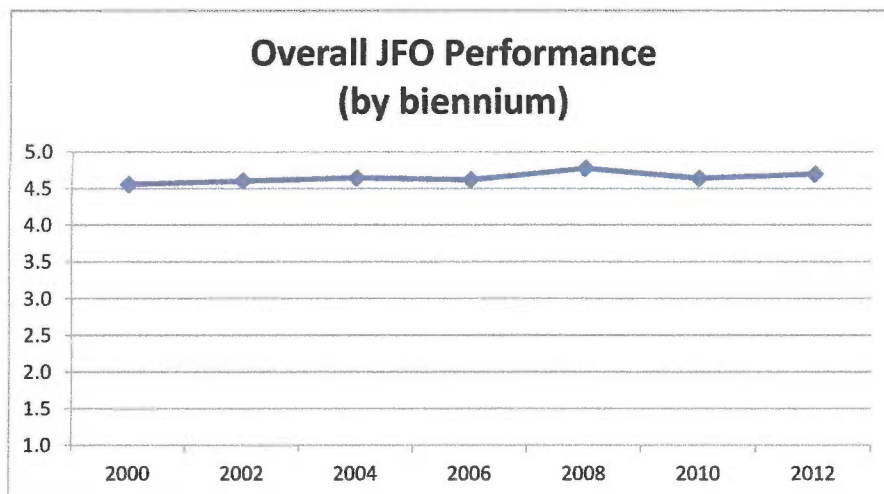
Reversion to General Fund

*\$75,000 of FY2013 carry forward was

PERFORMANCE MEASURES

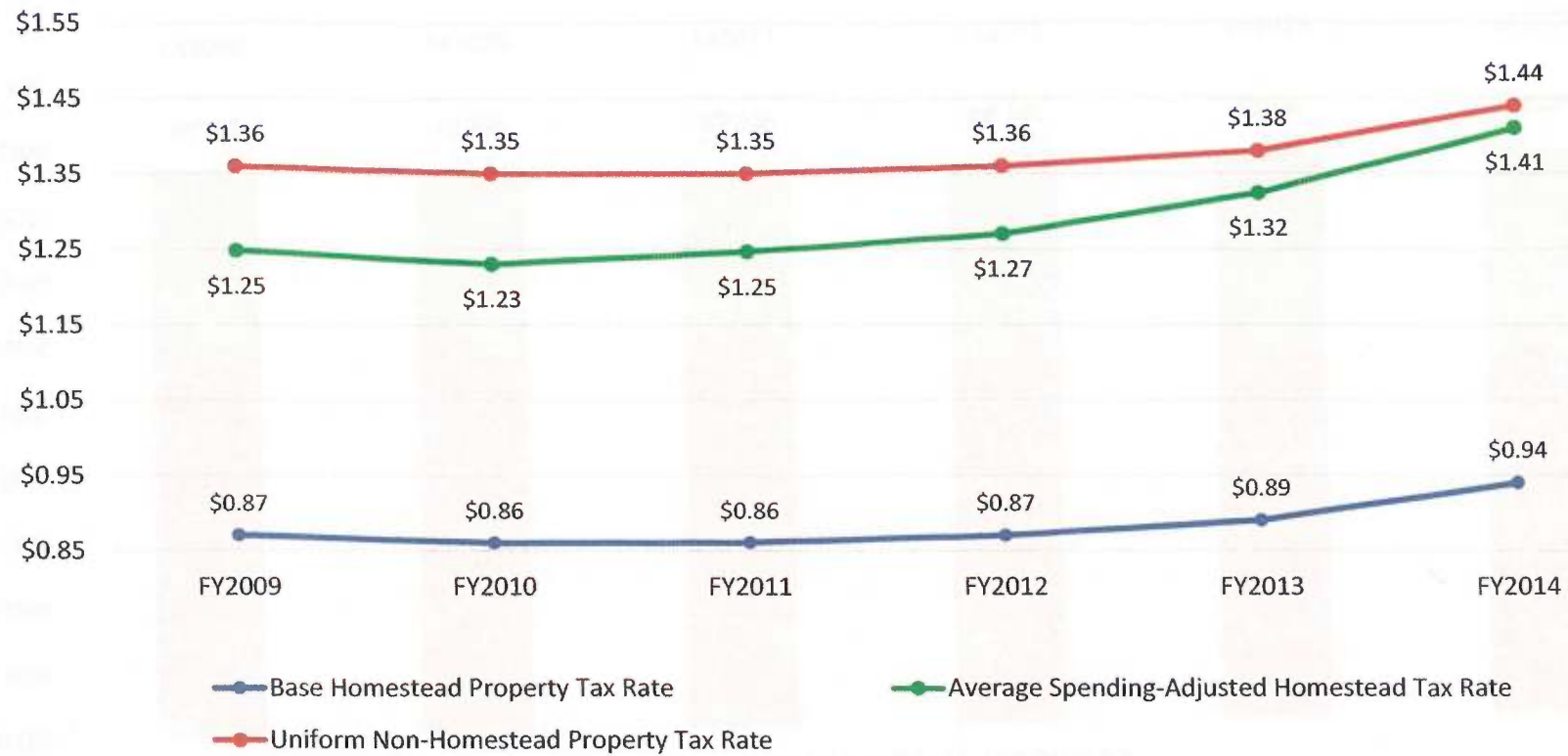
Performance Survey Responses (1=unsatisfactory 5=Excellent)

	2000	2002	2004	2006	2008	2010	2012
Overall	4.6	4.6	4.6	4.6	4.8	4.6	4.7
Quality of technical support	4.4	4.6	4.7	4.5	4.8	4.7	4.7
Clarity of oral/written presentations	4.3	4.3	4.4	4.4	4.6	4.5	4.6
Knowledge of subject matter	4.3	4.6	4.7	4.6	4.9	4.7	4.7
Timeliness of response to questions	4.3	4.3	4.4	4.4	4.5	4.3	4.6
House vs. Senate Impartiality	5.0	4.9	4.9	4.9	5.0	4.9	4.9
Non-partisanship between parties	5.0	4.9	4.8	4.8	4.9	4.7	4.6
Number of Responses=	24	71	62	65	63	80	87
Response Rate	13%	39%	34%	36%	35%	44%	48%



B.2,
Mark Perrault

Education Tax Rates



Education Property Tax Shares



Vermont Legislative Joint Fiscal Office

One Baldwin Street • Montpelier, VT 05633-5701 • (802) 828-2295 • Fax: (802) 828-2483

TO: Members of the Joint Fiscal Committee

FROM: Sara Teachout - November 15, 2013

RE: Statutory Purposes for Tax Expenditures

The following two sections of law were included in the 2013 Technical Tax Bill requiring a statutory purpose to be recommended by the JFC for every tax exemption, exclusion, deduction or credit. Attached are draft statutory purposes, highlighted in yellow, for all of the tax expenditures in Vermont statute. Legislative Council is preparing draft legislation that may be reviewed by the Senate Finance Committee and the House Ways & Means Committees. These will be an agenda item for recommendation on November 21st.

Sec. 4. 32 V.S.A. § 312(d) is added to read:

(d) Every tax expenditure in the tax expenditure report required by this section shall be accompanied in statute by a statutory purpose explaining the policy goal behind the exemption, exclusion, deduction, or credit applicable to the tax. The statutory purpose shall appear as a separate subsection or subdivision in statute and shall bear the title "Statutory Purpose." Notwithstanding any other provision of law, a tax expenditure listed in the tax expenditure report that lacks a statutory purpose in statute shall not be implemented or enforced until a statutory purpose is provided.

Sec. 5. TAX EXPENDITURE PURPOSES

The Joint Fiscal Committee shall draft a statutory purpose for each tax expenditure in the report required by 32 V.S.A. § 312 that explains the policy goal behind the exemption, exclusion, deduction, or credit applicable to the tax. For the purpose of this report, the Committee shall have the assistance of the Department of Taxes, the Joint Fiscal Office, and the Office of Legislative Council. The Committee shall report its findings and recommendations to the Senate Committee on Finance and the House Committee on Ways and Means by January 15, 2014. The report of the Committee shall consist of a written catalogue for Vermont's tax expenditures and draft legislation, in bill form, providing a statutory purpose for each tax expenditure. Upon receipt of the report under this section, the Senate Committee on Finance shall introduce a bill to adopt statutory purposes during the 2014 legislative session.

DRAFT

LIST OF FISCAL YEAR 2011 PERSONAL INCOME TAX EXPENDITURES

1.000 Adjustments to Federal Taxable Income

1.001 Vermont Municipal Bond Income Exemption

Statute: 32 V.S.A. §5811(21)(A)(i)
Enacted: 1986
Estimate: \$3,700,700
Taxpayers: 5,800

Interest income from Vermont state and local government obligations is exempt from taxation in Vermont. However, interest income from non-Vermont state and local obligations is added to the amount of federal taxable income.

PURPOSE To encourage investment in Vermont state and local bonds and maintain the state's favorable bond rating.

1.002 Capital Gains Exclusion

Statute: 32 V.S.A. §5811(21)(B)(ii)
Enacted: 2002; amended 2009, 2010
Estimate: \$8,544,200
Taxpayers: 22,730

Effective for tax years 2011 and after, taxpayers may reduce taxable income by up to \$5,000 in adjusted net capital gain income or 40% adjusted net capital gain income from the sale of certain business assets held for more than three years. As under prior law, the exclusion amount cannot exceed 40% of federal taxable income.

PURPOSE The flat capital gains exclusion is to encourage savings and investment while exempting a portion of the gain that may represent inflation. The 40% business capital gains exclusion mitigates the impact of one-time realizations in a progressive tax structure.

1.100 Subtractions from Vermont Income Tax

1.101 Credit for Child and Dependent Care

Statute: 32 V.S.A. §5822(d)
Enacted: 1967
Estimate: \$1,656,100

Taxpayers: 14,510

A taxpayer is entitled to a nonrefundable tax credit equal to 24% of the federal child and dependent care credit applied against federal tax liability. A taxpayer may claim this credit or the low income child and dependent care credit, but not both.

PURPOSE To provide tax relief to working taxpayers who must incur dependent care expenses to stay in the workforce.

1.102 Credit for Elderly or Disabled

Statute: 32 V.S.A. §5822(d)
Enacted: 1967
Estimate: \$2,700
Taxpayers: 90

A taxpayer is entitled to a nonrefundable tax credit equal to 24% of the federal credit available to the elderly (age 65 or older) and permanently disabled, which was applied against federal tax liability.

PURPOSE To provide tax relief for seniors and disabled persons with little tax exempt retirement or disability income.

1.103 Investment Tax Credit

Statute: 32 V.S.A. §5822(d)
Enacted: 1967
Estimate: \$886,000
Taxpayers: 90

A taxpayer is entitled to a nonrefundable tax credit equal to 24% of the federal investment tax credit applied against federal tax liability for Vermont-property investment in the following activities: rehabilitation (IRC §47), energy (IRC §48(a)), advanced coal products (IRC §48(a)), and gasification products (IRC 48B(e)).

PURPOSE To encourage Vermont business investments.

1.104 Vermont Farm Income Averaging Credit

Statute: 32 V.S.A. §5822(c)(2)
Enacted: 2002
Estimate: \$48,500
Taxpayers: 150

A nonrefundable tax credit is available in the amount of 24% of the reduction in the taxpayer's federal tax liability due to farm income averaging.

PURPOSE To mitigate the adverse tax consequences of fluctuating farm incomes under a progressive tax structure.

1.105 Vermont Business Solar Energy Credit

Statute: 32 V.S.A. §§5822(d); 5930z
Enacted: 2002
Estimate: \$2,387,600
Taxpayers: 30

A taxpayer is entitled to a nonrefundable tax credit of 76% of the Vermont-property portion of the business solar energy tax credit component of the federal investment tax credit applied against the taxpayer's federal tax liability. Unused credits may be carried forward for five years. This credit in combination with the 24% Investment Tax Credit provides a total credit of 100% of the amount of the federal business solar energy credit.

PURPOSE To provide a temporary, enhanced incentive for business solar investments located in Vermont.

1.200 Adjustments to Vermont Income Tax

1.201 Military Pay

Statute: 32 V.S.A. §5823(a)(2) & (b)(3)
Enacted: 1966
Estimate: \$2,229,700
Taxpayers: 1,700

Exempts all military pay for full-time active duty earned outside Vermont. This also exempts the first \$2,000 of military pay earned for commander certified unit training in Vermont for National Guard or United States Reserve personnel who have a federal AGI under \$50,000. Exemption also applies to funds received through the federal armed forces educational loan repayment program, but only to funds included in the taxpayer's AGI for the taxable year.

PURPOSE To provide additional compensation for military personnel for service to the country.

1.202 Federal Employment Opportunity Income

Statute: 32 V.S.A. §5823(a)(5)
Enacted: 1979
Estimate: \$33,100
Taxpayers: 60

Exempts income related to wages and salaries not taken as a federal employment credit and included in federal AGI pursuant to IRC 280C. Also exempts income included in federal AGI related to expenses incurred but not covered by the Americans with Disabilities Credit (IRC 44).

PURPOSE To reduce the taxation of people receive federal employment opportunity income and reduce the cost to government of providing this assistance.

1.203 Americans with Disabilities Credit

Statute: 32 V.S.A. §5823(a)(5)
Enacted: 1998
Estimate: \$0
Taxpayers: 0

Exemption applies to eligible expenses incurred by small businesses for the purpose of providing access to persons with disabilities, as provided in Section 44 of the IRC.

PURPOSE To provide tax relief for small businesses making ADA improvements required by federal law.

1.204 Interest Income from VSAC bonds, Vermont Telecommunications Authority bonds and notes, and federal Build America bonds

Statute: 16 V.S.A. §2825; 30 V.S.A. §8074
Enacted: 1965; 2007
Estimate: \$1,366,800
Taxpayers: 340

Exemption applies to interest and income from these sources when included in a taxpayer's federal AGI.

PURPOSE To encourage investment in bonds supporting Vermont projects.

1.300 Vermont Tax Credits Applied after Income Adjustment

1.301 Charitable Housing Credit

Statute: 32 V.S.A. §5830c
Enacted: 1990
Estimate: \$18,360
Taxpayers: 50

Vermont taxpayers who make an authorized charitable investment in an eligible housing charity are entitled to a nonrefundable credit in the amount equal to the difference between the net income that would have been received at the charitable threshold rate and the actual net income received by, or credited to, the taxpayer. The credit cannot exceed 3% of the average outstanding principal balance of the investment during the taxable year. Unused credits may be carried forward for three years.

PURPOSE To encourage investment in housing in Vermont.

1.302 Affordable Housing Credit

Statute: 32 V.S.A. §5930u
Enacted: 2000
Estimate: \$0

Taxpayers: 0

A nonrefundable tax credit may be taken for an affordable rental housing project or owner-occupied affordable housing units, provided the project has been authorized by the Vermont Housing Finance Agency. The amount of the credit is based on a taxpayer's eligible cash contribution and the agency's allocation plan. Total tax credits available to the taxpayer are the amount of the first-year allocation plus the succeeding four years' deemed allocation. (These credits are taken almost exclusively against bank franchise tax and insurance premiums tax.)

PURPOSE To encourage the investment in and development of affordable housing in Vermont.

1.303 Qualified Sale of Mobile Home Park Credit

Statute: 32 V.S.A. §5828

Enacted: 1998

Estimate: \$0

Taxpayers: 0

The taxpayer is entitled to a nonrefundable credit worth 7% of the taxpayer's gain from the sale of a mobile home park. This is measured by the gain subject to federal income tax. Unused credits may be carried forward for three years.

PURPOSE To encourage sales of mobile home parks as an alternative to closure.

1.304 Vermont Higher Education Investment Credit

Statute: 32 V.S.A. §5825a

Enacted: 2003 (revised in 2007)

Estimate: \$1,396,300

Taxpayers: 2,690

A taxpayer, including each spouse filing a joint return, is entitled to a nonrefundable credit of 10% for the first \$2,500 contributed for each beneficiary to a Vermont higher education investment plan account. A recipient of this credit is subject to a 10% repayment for any distribution not excluded from federal AGI, up to a maximum of the total credits received.

PURPOSE To encourage savings Vermont 529 plans and lower the cost of higher education for taxpayers.

1.305 Entrepreneurs' Seed Capital Fund Credit

Statute: 32 V.S.A. §5830b

Enacted: 2004

Estimate: \$0

Taxpayers: 0

A taxpayer who contributes to the Seed Capital Fund may claim a nonrefundable credit equal to the lesser of either 4% of the taxpayer's contribution or 50% of the taxpayer's tax liability for the year prior to claiming the credit, provided that the aggregate credit allowable for all taxable years not exceed 20% of the taxpayer's contribution to the initial capitalization of the fund. Unused credits may be carried forward for four years.

PURPOSE To provide an incentive for investment in small businesses in Vermont.

1.306 Historic Rehabilitation Tax Credit

Statute: 32 V.S.A. §5930cc(a); see §5930aa – 3930ff
Enacted: 2006
Estimate: \$0
Taxpayers: 0

A taxpayer who is deemed qualified by the Vermont Downtown Development Board and completes a qualified historic rehabilitation project may claim a nonrefundable credit of 10% of those qualified rehabilitation expenditures. Unused credits may be carried forward for nine years. (A substantial number of these credits are taken against bank franchise tax.)

PURPOSE To provide incentives to improve and rehabilitate historic properties in designed downtowns and village centers.

1.307 Façade Improvement Tax Credit

Statute: 32 V.S.A. §5930cc(b); see §5930aa – 5930ff
Enacted: 2006
Estimate: \$0
Taxpayers: 0

Taxpayers are eligible for a nonrefundable credit equal to 25% of expenditures up to \$25,000 on a qualified façade improvement project, as approved by the Vermont Downtown Development Board. Unused credits may be carried forward for nine years. (A substantial number of these credits are taken against bank franchise tax.)

PURPOSE To provide incentives to improve facades and rehabilitate historic properties in designed downtowns and village center.

1.308 Code Improvement Tax Credit

Statute: 32 V.S.A. §5930cc(c); see §5930aa – 5930ff
Enacted: 2006
Estimate: \$24,100
Taxpayers: Under 10

Taxpayers are eligible for a nonrefundable credit equal to 50% of costs for qualified code improvement or installation projects, up to the following limits: \$12,000 for a platform lift, \$50,000 for an elevator or sprinkler system, and

\$25,000 for combined costs of all other code improvement and installation projects, as approved by the Vermont Downtown Development Board. Unused credits may be carried forward for nine years. (A substantial number of these credits are taken against bank franchise tax.)

PURPOSE To provide incentives to improve and rehabilitate historic properties in designed downtowns and village centers by making code improvements.

1.309 Research and Development Tax Credit

Statute: 32 V.S.A. §5930ii

Enacted: 2009

Estimate: N.A.

Taxpayers: N.A.

A taxpayer is eligible for a nonrefundable credit equal to 30% of the amount of the federal tax credit for eligible R&D expenditures made within Vermont. Unused credits may be carried forward for ten years. The credit takes effect for eligible expenditures made on or after January 1, 2011.

PURPOSE To encourage business investment in research and development within Vermont.

1.310 Wood Products Manufacture Tax Credit

Statute: 32 V.S.A. §5930y

Enacted: 2005

Estimate: \$26,200

Taxpayers: Under 10

A credit of 2% of the wages paid in the taxable year by an employer for services performed in the designated counties having at least 5% of their combined jobs provided by employers that manufacture finished wood products and having the highest combined unemployment rate in the state for at least one month in the previous calendar year.

PURPOSE To lower income taxes for businesses in the northeast kingdom counties of Essex and Caledonia in order retain employees in wood products manufacturing.

1.311 EATI Tax Credits (carry-forward only)

Statute: 32 V.S.A. §5930a2

Enacted: 1997; repealed 2006

Estimate: \$232,000

Taxpayers: 20

A suite of tax credits based on payroll increases, research and development investment, workforce development expenditures, or capital investments in facilities and machinery or equipment, and sales of product shipped out of state. The final taxable year in which credits can be earned is 2010; the last year carry-forward credits can be claimed is 2015.

PURPOSE To provide incentives to businesses creating new jobs in Vermont.

1.312 Downtown Tax Credits (carry-forward only)

Statute: 32 V.S.A. §§5930n-5930r
Enacted: 1998, 2002, repealed 2006
Estimate: \$188,900
Taxpayers: Under 10

Four tax credits designed to assist with rehabilitation and code improvements for older and historic buildings located within designated downtowns and village centers were replaced with three credits (§5930cc) to make the program easier to use and administer.

Credits allocated prior to July 1, 2006 remain subject to the associated statutory provisions but must be claimed by May 24, 2011.

PURPOSE To provide incentives to improve and rehabilitate historic properties in designed downtowns and village centers.

1.400 Refundable Credits

1.401 Low Income Child and Dependent Care Credit

Statute: 32 V.S.A. §5828c
Enacted: 2002
Estimate: \$57,500
Taxpayers: 430

A refundable credit is available for taxpayers with federal AGI under \$30,000, if filing individually, or \$40,000, if married filing jointly. The credit is equal to 50% of the federal child and dependent care credit for child and dependent care services procured in Vermont, so long as the facility providing these services has been certified by the Agency of Human Services.

PURPOSE To provide additional cash relief to lower-income working taxpayers who incur dependent care expenses in certified centers to stay in the workforce.

1.402 Earned Income Tax Credit

Statute: 32 V.S.A. §5828b
Enacted: 1988
Estimate: \$25,565,700
Taxpayers: 44,500

Any taxpayer entitled to a federal earned income tax credit may claim a Vermont EITC in the amount of 32% of the federal credit, proportional to the percentage of total income that was earned or received in Vermont.

PURPOSE To increase the after-tax income of low-income working families and individuals and to provide an incentive to work for those with little earned income.

LIST OF FISCAL YEAR 2011 CORPORATE INCOME TAX EXPENDITURES

2.000 Adjustments to Federal Taxable Income

2.001 Vermont Municipal Bond Income Exemption

Statute: 32 V.S.A. §5811(21)(A)(i)

Enacted: 1986

Estimate: Data unavailable

Taxpayers: Data unavailable

Interest income from Vermont state and local government obligations is exempt from taxation in Vermont. However, interest income from non-Vermont state and local obligations is added to the amount of federal taxable income.

PURPOSE To encourage investment in Vermont state and local bonds and maintain the state's favorable bond rating.

2.100 Vermont Tax Credits

2.101 Charitable Housing Credit

Statute: 32 V.S.A. §5830c

Enacted: 1990

Estimate: \$0

Taxpayers: 0

Vermont taxpayers who make an authorized charitable investment in an eligible housing charity are entitled to a nonrefundable credit in the amount equal to the difference between the net income that would have been received at the charitable threshold rate and the actual net income received by, or credited to, the taxpayer. The credit cannot exceed 3% of the average outstanding principal balance of the investment during the taxable year. Unused credits may be carried forward for three years.

PURPOSE To encourage investment in housing in Vermont.

2.102 Affordable Housing Credit

Statute: 32 V.S.A. §5930u

Enacted: 2000

Estimate: \$144,800

Taxpayers: Under 10

A nonrefundable tax credit may be taken for an affordable rental housing project or owner-occupied affordable housing units, provided the project has been authorized by the Vermont Housing Finance Agency. The amount of the credit is based on a taxpayer's eligible cash contribution and the agency's allocation plan. Total tax credits available to the taxpayer are the amount of the first-year

allocation plus the succeeding four years' deemed allocation. (These credits are taken almost exclusively against bank franchise tax and insurance premiums tax.)

PURPOSE To encourage the investment and development of affordable housing in Vermont.

2.103 Qualified Sale of Mobile Home Park Credit

Statute: 32 V.S.A. §5828
Enacted: 1998
Estimate: \$0
Taxpayers: 0

The taxpayer is entitled to a nonrefundable credit worth 7% of the taxpayers gain from the sale of a mobile home park. This is measured by the gain subject to federal income tax. Unused credits may be carried forward for three years.

PURPOSE To encourage sales of mobile home parks as an alternative to closure.

2.104 Wood Products Manufacture Tax Credit

Statute: 32 V.S.A. §5930y
Enacted: 2005
Estimate: \$0
Taxpayers: Under 10

A credit of 2% of the wages paid in the taxable year by an employer for services performed in the designated counties having at least 5% of their combined jobs provided by employers that manufacture finished wood products and having the highest combined unemployment rate in the state for at least one month in the previous calendar year.

PURPOSE To lower income taxes for businesses in the northeast kingdom counties of Essex and Caledonia in order retain employees in wood products manufacturing.

2.105 Historic Rehabilitation Tax Credit

Statute: 32 V.S.A. §5930cc(a); see §§5930aa - 5930ff
Enacted: 2006
Estimate: \$0
Taxpayers: 0

Credit equals 10% of qualified rehabilitation expenditures as defined in the IRC 26 U.S.C. § 47(c).

PURPOSE To provide incentives to improve and rehabilitate historic properties in designed downtowns and village centers.

2.106 Façade Improvement Tax Credit

Statute: 32 V.S.A. 5930cc(b); see §§5930aa - 5930ff
Enacted: 2006
Estimate: \$0
Taxpayers: 0

The credit equals 25% of qualified expenditures for façade improvements, up to a maximum amount of \$25,000.

PURPOSE To provide incentives to improve facades and rehabilitate historic properties in designed downtowns and village center.

2.107 Code Improvement Tax Credit

Statute: 32 V.S.A. 5930cc(c); see §§5930aa - 5930ff
Enacted: 2006
Estimate: \$0
Taxpayers: 0

A qualified applicant is eligible for a tax credit of 50% for qualified expenditures up to a maximum of \$12,000 for installation or improvement of a platform lift, a maximum tax credit of \$50,000 for installation or improvement of a sprinkler system, and a maximum tax credit of \$25,000 for the combined costs of all other qualified code improvements.

PURPOSE To provide incentives to improve and rehabilitate historic properties in designed downtowns and village centers by making code improvements.

2.108 Business Solar Energy Tax Credit

Statute: 32 V.S.A. §5930z
Enacted: 2008
Estimate: \$168,000
Taxpayers: Under 10

A taxpayer is entitled to a 100% credit for the Vermont-property portion of the business solar energy tax credit component of the federal investment tax credit applied against the taxpayer's federal tax liability. Unused credits may be carried forward for five years.

PURPOSE To provide a temporary, enhanced incentive for business solar investments located in Vermont.

2.109 Machinery and Equipment Tax Credit

Statute: 32 V.S.A. §5930ll
Enacted: 2010
Estimate: N.A.
Taxpayers: N.A.

A qualified taxpayer approved by VEPC for a machinery and equipment investment tax credit certification is entitled to a nonrefundable credit in an amount equal to 10% of the total qualified capital expenditures. The total amount of credit authorized by statute is \$8 million, and may not exceed \$1 million in any one tax year. The credit applies to tax years beginning on January 1, 2012; repealed effective June 1, 2026.

PURPOSE To provide an incentive to make a major, long-term capital investment in Vermont-based plant and property to ensure the continuation of in-state employment.

2.110 Research and Development Tax Credit

Statute: 32 V.S.A. §5930ii
Enacted: 2009
Estimate: N.A.
Taxpayers: N.A.

A taxpayer is eligible for a nonrefundable credit equal to 30% of the amount of the federal tax credit for eligible R&D expenditures made within Vermont. Unused credits may be carried forward for ten years. The credit takes effect for eligible expenditures made on or after January 1, 2011.

PURPOSE To encourage business investment in research and development within Vermont.

2.111 EATI Tax Credits (carry-forward only)

Statute: 32 V.S.A. §5930a
Enacted: 1997; repealed 2006
Estimate: \$1,628,200
Taxpayers: Under 10

A suite of tax credits based on payroll increases, research and development investment, workforce development expenditures, or capital investments in facilities and machinery or equipment, and sales of product shipped out of state. The final taxable year in which credits can be earned is 2010; the last year carry forward credits can be claimed is 2015.

PURPOSE To provide incentives to businesses creating new jobs in Vermont.

2.112 Downtown Tax Credits (carry-forward only)

Statute: 32 V.S.A. §§5930n-5930r
Enacted: 1998, 2002, repealed 2006

Estimate: \$30,400
Taxpayers: Under 10

Four tax credits designed to assist with rehabilitation and code improvements for older and historic buildings located within designated downtowns and village centers were replaced with three credits (§5930cc) to make the program easier to use and administer. Credits allocated prior to July 1, 2006 remain subject to the associated statutory provisions but must be claimed by May 24, 2011.

PURPOSE To provide incentives to improve and rehabilitate historic properties in designed downtowns and village centers.

OTHER EXPENDITURES FOR FISCAL YEAR 2011

2.200 Vermont Employment Growth Incentive (VEGI)

Statute: 32 V.S.A. §5930b
Enacted: 2006
Estimate: \$602,190
Taxpayers: 13

Unlike other credits, deductions, or exemptions to personal income tax, the VEGI program provides a cash incentive, paid in installments, based on new, qualified job and payroll creation in Vermont, to companies authorized by the Vermont Economic Progress Council (VEPC). VEGI was a newly designed non-credit incentive program that began in January 2007, replacing the Economic Advancement Tax Incentive program (EATI). The VEGI incentive amount is earned over a period of up to five years and paid out over a period of up to nine years, provided the company maintains or increases base payroll and meets the necessary targets. The claims process is unrelated to filing personal or business income taxes.

PURPOSE To provide a cash incentive to businesses that expand and create jobs in Vermont.

LIST OF FISCAL YEAR 2011 SALES TAX EXPENDITURES

3.000 Sales Not Covered; Transactions and Entities Not Taxed

3.001 Medical products

Statute: 32 V.S.A. §9741(2)
Enacted: 1969 (amended in 2012)
Estimate: \$45,900,000

This exemption includes several categories of sales for items used in the “treatment intended to alleviate human suffering or to correct . . . human physical disabilities.” The exemption includes sales of both prescription and non-prescription drugs, supplies used for medical treatment, and durable medical equipment that is either used directly by a patient, such as an oxygen system, or used in a hospital or clinic such as x-ray or magnetic resonance imaging systems. The 2012 amendment includes nominally priced dental supplies provided to patients without charge under this exemption.

PURPOSE To allow for those in need of medical products and support the health and welfare of Vermont residents.

Data source: Vermont Department of Financial Regulation, Vermont Health Care Expenditure Analysis & Three-Year Forecast

3.002 Agricultural inputs

Statute: 32 V.S.A. §9741(3)
Enacted: 1969
Estimate: \$22,000,000

This exemption includes several categories of sales for items used in the production on farms of tangible personal property. The exemption applies to a list of specific items, including feed, seed, plants, baler twine, silage bags, sheets of plastic for bunker covers or agricultural wrap, and breeding or other livestock. The exemption also includes pesticides, chemicals, and fertilizers but only when used for agriculture.

PURPOSE To lessen the costs for the agricultural industry.

Data source: New England Agricultural Statistics, Farm Production Expenditures

3.003 Veterinary supplies

Statute: 32 V.S.A. §9741(3)
Enacted: 1969
Estimate: \$1,100,000

The same section of statute that includes agricultural inputs also exempts veterinary supplies that apply in some cases to supplies used in the treatment of

non-agricultural animals. The veterinary supplies exemption is intended only for those items used in the treatment of animals at a veterinarian or for health-related items that are not otherwise available from non-veterinarian retailers.

PURPOSE To lessen the cost to the agricultural industry of veterinary services.

Data Sources: US Census Bureau and American Veterinarian Medicine Association

3.004 Non-business, casual sales

Statute: 32 V.S.A. §9741(4)

Enacted: 1969

Estimate: Data unavailable

Casual sales represent those sales made by individuals not normally in the business of retail sales. This includes garage sales and sales between individuals of single items such as those often seen in newspaper and electronic classified advertisements.

PURPOSE This exemption has been in law since the inception of the tax to prevent the occasional sale of personal property by individuals not engaged as merchants from being subjected to the tax.

3.005 Fuels for railroads and boats

Statute: 32 V.S.A. §9741(7)

Enacted: 1969

Estimate: Data unavailable

Railroads are exempt under Title 23 and the use of diesel fuel in boats is exempt under the Title 32 exemption for other motor fuels. Non-dyed fuels for on-road motor vehicles are taxed under Title 23.

PURPOSE The use of railroads and boats typically do not necessitate the need for public expenditures on transportation infrastructure and, therefore, are exempt from a sales tax burden on fuels.

3.006 Sales of Food

Statute: 32 V.S.A. §9741(13)

Enacted: 1969

Estimate: \$80,900,000

Food that is sold for consumption off the premises where it is sold, including groceries, is exempt from the sales tax. This exemption includes vitamins and dietary supplements.

PURPOSE To limit the taxes on the purchase of goods that are necessary for health and welfare.

Data Source: Consumer Expenditure Survey

3.007 Exemption for manufacturers' material and equipment

Statute: 32 V.S.A. §9741(14)
Enacted: 1969 (amended in 2012)
Estimate: \$307,200,000

The manufacturers' exemption includes both the materials incorporated and consumed in the manufacture of tangible personal property and the equipment used in the manufacturing process. The equipment exempt from sales tax includes only that equipment that is used directly and exclusively in the manufacture of tangible personal property. The exemption does not apply to materials used in the construction of real property, even when included as a part of a manufacturing facility. Starting January 1, 2012, the manufacturers' exemption includes machinery that results in secondary packaging of tangible personal property.

PURPOSE To avoid tax pyramiding on goods and encourage investments in equipment by manufacturing entities.

Data Source: US Census Bureau, American Fact Finder

3.008 Newspapers

Statute: 32 V.S.A. §9741(15)
Enacted: 1969; amended in 1980
Estimate: \$1,200,000

The sale of newspapers is exempt (including newspapers that are given away and not sold) as are the materials used in the production of newspapers, such as newsprint and ink.

PURPOSE To maintain the continued availability of printed news resources. / Or to protect free speech?

Data source: US Census Bureau, Service Annual Survey

3.009 Packaging and shipping materials

Statute: 32 V.S.A. §9741(16)
Enacted: 1969
Estimate: \$1,200,000

Packages for the sale of retail items are not subject to sales tax to producers and distributors. This includes containers, labels, and packing materials (such as bubble wrap or polystyrene fill). Shipping materials that may be reused are also eligible for this exemption. Reusable shipping materials include pallets and kegs.

PURPOSE To support industry and prevent "tax pyramiding" by excluding inputs into business production and distribution.

Data source: US Census Bureau, Survey of Business Expenses

3.010 Rented furniture for residential use

Statute: 32 V.S.A. §9741(17)

Enacted: 1970

Estimate: Data unavailable

The rental of furniture for residences is exempt from sales tax. The use of furniture that is included in the rental of a furnished apartment is also exempt from tax.

PURPOSE To limit sales taxes on items that are not being sold and to avoid instances of double taxation.

3.011 Admissions to municipal, state, and federal recreation facilities

Statute: 32 V.S.A. §9741(18)

Enacted: 1970

Estimate: \$300,000

The admission fees for federal, state, or municipally owned recreation facilities are exempt from the sales tax on amusements. These facilities include public beaches and swimming pools, dock and mooring use, golf courses, and campsites.

PURPOSE To exempt from tax a state charge for an entrance or admission.

Data sources: Agency of Natural Resources, sample survey of municipal recreation departments, municipal published documents

3.012 Rentals of coin-operated washing facilities, including car washes

Statute: 32 V.S.A. §9741(19)

Enacted: 1970

Estimate: \$1,300,000

Laundry and car washing facilities that customers access through the use of coin-operated machinery are exempt from the sales tax on those coin-based transactions.

PURPOSE To exempt services from taxation.

Data source: Economic Census of Vermont

3.013 Admission fees to nonprofit museums

Statute: 32 V.S.A. §9741(20)

Enacted: 1970

Estimate: \$1,400,000

The admission fees to museums operated by organizations with a federal tax exempt status are not subject to the sales tax.

PURPOSE To support the missions of non-profit facilities and encourage higher visitation.

Data source: Economic Census of Vermont

3.014 Items sold to fire, ambulance, and rescue squads

Statute: 32 V.S.A. §9741(21)

Enacted: 1970

Estimate: Data unavailable

This exemption is provided to emergency responders as a particular set of users for equipment and supplies that might otherwise be taxable as tangible personal property. In addition, the materials and equipment used in the construction and renovation of buildings and other real property housing the emergency responders are exempt when purchased by contractors.

PURPOSE To limit the tax on organizations charged with protecting the safety of the public

3.015 Funeral charges

Statute: 32 V.S.A. §9741(22)

Enacted: 1970

Estimate: \$400,000

This exemption includes the purchase of funeral furnishings that are necessary incidents of a funeral, including caskets, vaults, and crematory urns. (The exemption does not include items sold as an accommodation, such as flowers.)

PURPOSE To not tax the bereaved.

Data source: The value of caskets, vaults, and urns is estimated from data provided by the National Funeral Directors Association

3.016 Property used in commercial, industrial or agricultural research

Statute: 32 V.S.A. §9741(24)

Enacted: 1974

Estimate: Data unavailable

Property purchased and used in commercial, industrial or agricultural research is exempt from the sales tax.

PURPOSE To reduce financial barriers to research and innovation in the commercial, industrial and agricultural industries.

3.017 Agricultural machinery and equipment

Statute: 32 V.S.A. §9741(25)
Enacted: 1974
Estimate: \$2,000,000

The purchase of machinery and equipment used in the production of agricultural goods and livestock is exempt from the sales tax.

PURPOSE To support the agricultural industry and avoid tax pyramiding of agricultural products.

Data source: New England Agricultural Statistics, Farm Production Expenditures

3.018 Energy purchases for a residence

Statute: 32 V.S.A. §9741(26)
Enacted: 1977
Estimate: \$51,000,000

Electricity, fuel oil, natural gas, propane, and other fuels are subject to tax as tangible personal property. When these fuels are sold to residences, the fuel supplier or utility is not required to collect the sales tax. A fuel gross receipts tax of 0.5% of the retail sale is applied to heating oil, kerosene, other dyed diesel fuels, natural gas, propane gas, electricity, and coal used to heat a residence or business. (33 V.S.A. § 2503)

PURPOSE To limit the tax on the purchase of goods that are necessary for health and welfare.

Data source: Energy Information Administration

3.019 Energy purchases for farming

Statute: 32 V.S.A. §9741(27)
Enacted: 1977
Estimate: \$3,300,000

When electricity, fuel oil, natural gas, propane and other fuels sold to farmers, the fuel supplier or utility is not required to collect the sales tax.

PURPOSE To support the agricultural industry and avoid tax pyramiding of agricultural products.

Data source: Energy Information Administration, Census of Agriculture

3.020 Sales of films to movie theaters

Statute: 32 V.S.A. §9741(28)
Enacted: 1981
Estimate: \$800,000

Movie theaters that charge for admission do not need to pay sales tax on the purchase or licensed use of films from film distributors.

PURPOSE To avoid tax on items that are normally not for permanent use within the state.

Data source: National Association of Theater Operators

3.021 Aircraft and depreciable parts for commercial use

Statute: 32 V.S.A. §9741(29)

Enacted: 1986

Estimate: Under \$100,000

This exemption is for the purchase of aircraft that are used for commercial use, such as the transport of people and goods for compensation and hire. The exemption also includes the purchase of parts and equipment used in the maintenance and repair of aircraft for commercial or private use.

PURPOSE To promote the growth of the aircraft maintenance industry in Vermont.

Data source: Joint Fiscal Office

3.022 Railroad rolling stock and depreciable parts

Statute: 32 V.S.A. §9741(30)

Enacted: 1986

Estimate: Under \$100,000

This exemption includes the purchase of railroad locomotives and cars and the parts and equipment used in their maintenance.

PURPOSE To support the railroad industry and interstate transportation.

Data source: Division of Property Valuation and Review

3.023 Ferryboats and depreciable parts

Statute: 32 V.S.A. §9741(31)

Enacted: 1988

Estimate: \$100,000

This exemption includes the purchase of ferries used in the transport of people and property for compensation or hire, and the parts and equipment used in their maintenance.

PURPOSE To support ferryboat services and interstate transportation.

Data source: History of Lake Champlain Ferries 1947–2005.

3.024 Sales of mobile homes and modular housing

Statute: 32 V.S.A. §9741(32)
Enacted: 1989
Estimate: Data unavailable

Forty percent of the sales price of a new mobile home or manufactured home is exempt from the sales tax (the remaining 60% is subject to the sales tax). In the case of a used mobile home or manufactured home when sold as real estate, there is no sales tax. Real estate transactions are subject to the property transfer tax.

PURPOSE To create equity between mobile/modular housing and traditional residential construction by providing and exemption for the estimated portion of the cost attributable to labor (versus materials).

3.025 U.S. flag sold to or by exempt veterans' organizations

Statute: 32 V.S.A. §9741(33)
Enacted: 1990
Estimate: Data unavailable

U.S. flags purchased or sold by exempt veteran's organizations are exempt from the sales tax.

PURPOSE To support veteran's organizations in performing their patriotic function.

3.026 Energy used in manufacturing tangible personal property for sale

Statute: 32 V.S.A. §9741(34)
Enacted: 1993
Estimate: \$15,100,000

Data source: Energy Information Administration

Electricity, fuel oil, natural gas, propane, and other fuels are subject to tax as tangible personal property. When these fuels are sold for use in manufacturing, the fuel supplier or utility is not required to collect the sales tax.

PURPOSE To avoid the taxation of manufacturing inputs and the pyramiding of taxes on goods produced in state.

3.027 Property transferred as part of personal service transaction or transfer of intangible property rights

Statute: 32 V.S.A. §9741(35)
Enacted: 1995
Estimate: Data unavailable

Transactions that focus on the sale of personal services such as bookkeeping or hair styling or the transfer of intangible property, such as stocks or marketing logos, may also require the transfer of tangible property. The transaction is

exempt from sales tax as long as the value of the tangible personal property transferred is less than 10% of the sales price for the complete transaction.

PURPOSE To exempt tangible personal property that is a small portion of a service.

3.028 Advertising materials

Statute: 32 V.S.A. §9741(36)
Enacted: 1995
Estimate: Data unavailable

Transactions that transfer the right to use advertising materials are exempt from sales tax. Such transactions may include the transfer of a single copy of advertising materials to the purchasing customer.

PURPOSE To exempt tangible personal property if it is a small portion of a larger service.

3.029 Documents that record a professional service

Statute: 32 V.S.A. §9741(37)
Enacted: 1995
Estimate: Data unavailable

Bills, invoices, briefs, agreements, and wills are examples of documents that may be provided to customers without the payment of the sales tax on the price of the transaction.

PURPOSE To exempt tangible personal property if it is a small portion of a service package.

3.030 Tracked vehicles

Statute: 32 V.S.A. §9741(38)
Enacted: 1997
Estimate: Data unavailable

The sale of tracked vehicles is subject to the sales tax. The exemption applies on sales that would otherwise result in a tax paid above a capped amount. The cap is required by law to be adjusted by the CPI as of July 1 in each even-numbered year. The cap was \$1,200 in FY 2011 and \$1,260 in FY 2012.

PURPOSE To limit the sales tax on tracked vehicles (i.e. construction vehicles such as bulldozers) and lessen the cost of capital investments of those purchases.

3.031 Sales of building materials

Statute: 32 V.S.A. §9741(39)(i) and (ii)
Enacted: 1997
Estimate: Under \$100,000

Sales of building materials within any three consecutive years in excess of \$250,000 in purchase value and incorporated into a downtown redevelopment

project, as defined by the Department of Economic, Housing, and Community Development.

PURPOSE To encourage the restoration and revitalization of downtown districts.

Data source: Vermont Economic Progress Council

3.032 Wholesale transactions between telecommunications service providers

Statute: 32 V.S.A. §9741(41)

Enacted: 1997

Estimate: Data unavailable

The sale of telecommunication services from one provider to another telecommunications provider is exempt from the sales tax.

PURPOSE To promote the telecommunications industry by avoiding taxation of the inputs and intercompany transactions.

3.033 Scrap construction materials by a third party

Statute: 32 V.S.A. §9741(43)

Enacted: 1998

Estimate: Data unavailable

Scrap construction materials generated during construction or demolition are not subject to sales tax if a third party takes possession of the material with no payment and then either uses the material in construction.

PURPOSE To promote the reuse and recycling of scrap construction materials.

3.034 Property incorporated in railroad line

Statute: 32 V.S.A. §9741(44)

Enacted: 1998

Estimate: Data unavailable

Materials used in the construction, repair, operation, or maintenance of railroad lines are exempt from the sales tax.

PURPOSE To support the railroad industry and encourage ongoing investments within Vermont.

3.035 Clothing and footwear

Statute: 32 V.S.A. §9741(45)

Enacted: 1999; all clothing and footwear exempt January 1, 2007

Estimate: \$24,900,000

Clothing, including footwear, is exempt from the sales tax. Accessories and protective equipment are not exempt.

PURPOSE To limit the tax burden on the purchase of goods that are necessary for the health and welfare of all Vermont residents.

Data source: Bureau of Labor Statistics, Consumer Expenditure Survey, and US Census Bureau

3.036 Property incorporated into a net metering system, an on-premise energy system not connected to the electric distribution system, or a solar hot water heating system

Statute: 32 V.S.A. §9741(46)

Enacted: 1999

Estimate: Under \$100,000

Property incorporated into photovoltaic systems that are not covered by the manufacturing exemption is exempt under this specific subsection of statute. In addition, solar equipment for heating water is exempt.

PURPOSE To encourage the promulgation of efficient technologies for generating and distributing renewable energy resources.

Data Source: Vermont Public Service Board

3.037 Purchases by and limited purchases from 501(c)(3) organizations

Statute: 32 V.S.A. §9743(3)

Enacted: 1969, amended

Estimate: Data unavailable

Nonprofit organizations purchases are exempt from the sales tax. Some sales by churches, schools, and other organizations are also exempt to a \$20,000 limit. These sales include garage sales and sporting equipment swap sales. Charges for entertainment sponsored by nonprofits also have a limited exemption.

PURPOSE To reduce costs for nonprofit organizations.

3.038 Building materials and supplies used in construction or, repair of buildings by governmental bodies or 501(c)(3) organizations or development corporations

Statute: 32 V.S.A. §9743(4)

Enacted: 1969

Estimate: Data unavailable

This exemption includes the materials used for most public works projects as well as the construction of structures for nonprofit organizations.

PURPOSE To reduce the costs of construction for nonprofit organizations.

3.039 Amusement charges for 4 events a year for 501(c)(4)-(13) and (19) organizations and political organizations

Statute: 32 V.S.A. §9743(5)
Enacted: 1983
Estimate: Data unavailable

This exemption is limited to 4 events (e.g., musical or theatrical presentations) a year for 501(c)(4)-(13) and (19) organizations and political organizations. The exemption was expanded in 2010 to include amusement charges for events where the risk is shared with for-profit promoters and presenters.

PURPOSE To reduce the costs for and encourage participation in a limited number of events organized by nonprofit organizations.

3.040 Amusement charges for events presented by 501(c)(3) organizations

Statute: 32 V.S.A. §9743(7)
Enacted: 1983 (amended 2010)
Estimate: Data unavailable

Nonprofit organizations under IRC 501(c)(3) may charge for live performances without collecting sales tax but only if their proceeds from the past year's events do not exceed \$100,000.

PURPOSE To reduce the costs for and encourage participation in fundraising events organized by nonprofit organizations

3.041 Limitation of tax on telecommunications services

Statute: 32 V.S.A. §9771a
Enacted: 1997
Estimate: Under \$100,000

No single customer is subject to a sales tax greater than \$10,000 in any one calendar year.

PURPOSE To limit the taxes on telecommunications intensive businesses.

Data source: Department of Taxes

3.042 Reallocation of receipts from tax imposed on sales of construction materials

Statute: 32 V.S.A. §9819
Enacted: 1998
Estimate: Under \$100,000

The sales tax revenues from materials used in construction of qualified projects in designated downtown districts above certain amounts (varying by the size of the community) are allocated to the municipalities that are the location of those projects.

PURPOSE To promote the restoration and/or revitalization of downtown districts within Vermont.

Data source: Department of Taxes

3.043 Sales to nonprofit hospital service corporations

Statute: 8 V.S.A. §4518
Enacted: 1947
Estimate: Data unavailable

Nonprofit hospital service corporations are exempt from the sales and use tax.

PURPOSE To exempt nonprofit hospitals providing health care services.

3.044 Sales to nonprofit medical service corporations

Statute: 8 V.S.A. §4590
Enacted: 1947
Estimate: Data unavailable

Nonprofit medical service corporations are exempt from the sales and use tax.

PURPOSE To exempt a nonprofit entity providing medical insurance coverage.

3.045 Sales to credit unions

Statute: 8 V.S.A. §30901
Enacted: 1967
Estimate: Data unavailable

Credit unions are exempt from the sales and use tax.

PURPOSE To lessen the taxes on financial institutions that provide banking to underserved populations.

3.046 Sales by licensed auctioneers

Statute: 32 V.S.A. §9741(48)
Enacted: 2011
Estimate: Data unavailable

Sales of tangible personal property are exempt from the sales tax when sold by an auctioneer and the auction is conducted on the premises of the owner of the property.

PURPOSE To extend the "casual sale" exemption to parallel situations involving an auctioneer.

3.047 Licensed use of prewritten software from remote servers

Statute: 2012 Act 143, Section 52

Enacted: 2012 for the period from January 1, 2007 until June 30, 2013.

Estimate: \$0 (refunds for taxes paid issued in FY 2012)

The Department of Taxes provided refunds for the purchase of the license to use software remotely accessed. Refunds for taxes paid were issued in FY 2012 and FY 2013. The exemption sunsets in FY 2014.

PURPOSE To provide a temporary exemption to businesses and consumers while clarifying and drafting the rules for this relatively new model for providing software.

Data source: Department of Taxes

LIST OF FISCAL YEAR 2011 MEALS AND ROOMS TAX EXPENDITURES

4.000 Meals and Alcoholic Beverage Tax

4.001 Grocery-type items furnished for take-out (meals tax only)

Statute: 32 V.S.A. §9202(10)(D)(i)
Enacted: 1959
Estimate: \$6,200,000

Most food purchased from a grocery store is not subject to the meals tax. This exemption is for prepared food but still intended for home use and includes whole pies, cakes, and loaves of bread, single-serving bakery items sold in quantities of three or more, deli and candy sales by weight, whole uncooked pizzas, and larger containers of ice cream, salad dressings, sauces, cider, or milk.

PURPOSE To exempt from tax the purchase of goods that are necessary for the health and welfare of all Vermont residents.

Data source: Economic Census of Vermont, Consumer Expenditure Survey

4.002 Served or furnished on the premises of a nonprofit

Statute: 32 V.S.A. §9202(10)(D)(ii)(I)
Enacted: 1959
Estimate: Data unavailable

Nonprofit organizations may sell meals without a meals tax when those meals are sold on the premises and further the purpose of the organization. The profits from meals sold under this exemption must also be used exclusively for the nonprofit organization.

PURPOSE To reduce costs for nonprofit organizations.

4.003 Premises of a school

Statute: 32 V.S.A. §9202(10)(D)(ii)(II)
Enacted: 1959
Estimate: \$2,200,000

Schools may sell meals on their own grounds without collecting the meals tax. Contractors may sell meals to school students and staff under this exemption, but restaurants and caterers otherwise subject to the tax may not deliver meals to the schools without collecting the tax.

PURPOSE To reduce the overall costs of education in Vermont.

Data source: Vermont Department of Education

4.004 Premises of Vermont or federal institutions where meals are provided to inmates and employees

Statute: 32 V.S.A. §9202(10)(D)(ii)(III)

Enacted: 1959

Estimate: \$200,000

Meals provided at state or federal institutions are not subject to the meals tax.

PURPOSE To prevent the taxation of entities that are funded by taxpayers.

Data source: Vermont Department of Corrections

4.005 Hospitals, convalescent and nursing homes

Statute: 32 V.S.A. §9202(10)(D)(ii)(IV)

Enacted: 1959

Estimate: \$1,000,000

Meals provided at locations that have a primary purpose for delivering health care or hospice care are not subject to the meals tax.

PURPOSE To reduce the overall costs of health care and senior care in Vermont.

Data source: Vermont Inpatient Hospital Utilization Report

4.006 Meals furnished while transporting passengers for hire on train, bus, or airplane (carriers)

Statute: 32 V.S.A. §9202(10)(D)(ii)(V)

Enacted: 1959

Estimate: Data unavailable

Meals provided to passengers in transit delivered by carrier-for-fee businesses are not subject to the meals tax.

PURPOSE To reduce the administrative costs for transit companies providing interstate travel services.

4.007 Summer camp for children

Statute: 32 V.S.A. §9202(10)(D)(ii)(VI)

Enacted: 1959

Estimate: Under \$100,000

Meals provided at camps serving children are not subject to the meals tax.

PURPOSE To promote Vermont outdoor education for youth.

Data source: www.vermontcamps.org

4.008 Nonprofits at fairs, bazaars, picnics, and similar events, but limited to 4 days

Statute: 32 V.S.A. §9202(10)(D)(ii)(VII)

Enacted: 1964

Estimate: Data unavailable

Nonprofit organizations may provide meals at public events without collecting the meals tax, but only for four calendar days during any given year.

PURPOSE To reduce costs for nonprofit organizations.

4.009 Furnished to an employee of a hotel or restaurant operator as remuneration for his or her employment

Statute: 32 V.S.A. §9202(10)(D)(ii)(VIII)

Enacted: 1963

Estimate: Data unavailable

Meals provided to employees as a part of their compensation are not subject to the meals tax.

PURPOSE To avoid the taxation of in kind benefits.

4.010 Provided to the elderly pursuant to the Older Americans Act

Statute: 32 V.S.A. §9202(10)(D)(ii)(IX)

Enacted: 1973

Estimate: \$600,000

Meals delivered to the home of eligible elderly individuals and funded by the federal Older Americans Act Nutrition Program are not subject to the meals tax.

PURPOSE To exempt from tax government provided meals.

Data source: Vermont Department of Disabilities, Aging, and Independent Living

4.011 Purchased with Food Stamps

Statute: 32 V.S.A. §9202(10)(D)(ii)(X)

Enacted: 1987

Estimate: \$200,000

A limited list of restaurant meals is eligible to be paid for with food stamps. The purchase of these meals with food stamps is not subject to the meals tax. This represents only a small portion (about 2%) of the overall sales of food under the food stamp program.

PURPOSE To exempt from tax meals paid for with government funds.

Data source: United States Department of Agriculture

4.012 Served on the premises of a continuing care retirement community

Statute: 32 V.S.A. §9202(10)(D)(ii)(XI)

Enacted: 1988

Estimate: Data unavailable

Meals provided at continuing care retirement communities are not subject to the meals tax.

PURPOSE To exempt from tax meals prepared in a person's home.

4.013 Meals provided for nonprofit hospital service corporations

Statute: 8 V.S.A. §4518

Enacted: 1947

Estimate: Under \$100,000

Nonprofit hospital service corporations are exempt from the meals and rooms tax.

PURPOSE To exempt meals provided as part of a hospital/health care service.

4.014 Meals provided for nonprofit medical service corporations

Statute: 8 V.S.A. §4590

Enacted: 1947

Estimate: Under \$100,000

Nonprofit medical service corporations are exempt from the meals and rooms tax.

PURPOSE To exclude meals provided by nonprofit health insurance companies.

4.015 Meals provided for credit unions

Statute: 8 V.S.A. §30901

Enacted: 1967

Estimate: Under \$100,000

Credit unions are exempt from the meals and rooms tax.

PURPOSE To lessen the taxes on financial institutions that provide banking to under-served populations.

4.100 **Rooms Tax**

4.101 Time share rights

Statute: 32 V.S.A. §9202(8)
Enacted: 1992
Estimate: Data unavailable

Owners of time share properties are not subject to the rooms tax for the payment of time share rights at purchase.

PURPOSE To avoid double taxation on holdings that are subject to property taxes.

4.102 Student housing

Statute: 32 V.S.A. §9202(8)
Enacted: 1964
Estimate: Data unavailable

The rental charges to students attending a school are not subject to the rooms tax.

PURPOSE To accomodations that are part of education.

4.103 Permanent residents

Statute: 32 V.S.A. §9202(6) and (7).
Enacted: 1959
Estimate: Data unavailable

The rental charges to individuals that occupy a room in a hotel for at least 30 days are not subject to the rooms tax.

PURPOSE To treat long-term hotel guests as permanent residents of the state for purposes of administrating the rooms tax.

4.104 Furnished to an employee of a hotel or restaurant operator as remuneration for his or her employment

Statute: 32 V.S.A. §9202(6)
Enacted: 1959
Estimate: Data unavailable

Workers residing in a hotel are not subject to the rooms tax when the accommodation is provided as compensation for employment.

PURPOSE To exclude the taxation of in kind benefits.

4.105 Summer camp for children

Statute: 32 V.S.A. §9202(6)
Enacted: 1959
Estimate: \$200,000

Overnight accommodations at camps serving children are not subject to the rooms tax.

PURPOSE To promote Vermont outdoor education for youth.

Data source: www.vermontcamps.org

4.106 Hospital, sanatorium, convalescent home, nursing home, or home for the aged

Statute: 32 V.S.A. §9202(3)(A)

Enacted: 1959

Estimate: Data unavailable

The room charges to occupy a hospital or other institution providing health care are not subject to the rooms tax.

PURPOSE To exclude rooms that are a person's residence.

4.107 State or US-operated establishment

Statute: 32 V.S.A. §9202(3)(B)

Enacted: 1959

Estimate: Data unavailable

Rooms available from establishments operated by the state or federal government are not subject to the rooms tax. This exemption does not extend to recreational facilities operated by the Department of Forests, Parks and Recreation.

PURPOSE To abide by requirement that states will not tax the federal government and to avoid the instance of the state taxing itself.

4.108 Rooms on the premises of a nonprofit

Statute: 32 V.S.A. §9202(3)(C)

Enacted: 1959

Estimate: Data unavailable

Nonprofits operating hotels to further their exempt purpose are exempt from collecting the rooms tax.

PURPOSE To reduce costs for nonprofit organizations.

4.109 Rooms on the premises of a continuing care retirement community

Statute: 32 V.S.A. §9202(3)(D)

Enacted: 1988

Estimate: Data unavailable

A continuing care community is exempt from collecting the rooms tax on the rent of its accommodations.

PURPOSE To exclude rooms that are a person's residence.

4.110 Rooms provided to nonprofit hospital service corporations

Statute: 8 V.S.A. §4518
Enacted: 1947
Estimate: Less than \$100,000

Nonprofit hospital service corporations are exempt from the meals and rooms tax.

PURPOSE To exclude rooms that are a part of a medical service.

4.111 Room provided to nonprofit medical service corporations

Statute: 8 V.S.A. § 4590
Enacted: 1947
Estimate: Less than \$100,000

Nonprofit medical service corporations are exempt from the meals and rooms tax.

PURPOSE To reduce costs for nonprofit organizations.

4.112 Rooms provided to credit unions

Statute: 8 V.S.A. § 30901
Enacted: 1967
Estimate: Less than \$100,000

Credit unions are exempt from the meals and rooms tax.

PURPOSE To lessen the taxes on financial institutions that provide banking to under-served populations.

LIST OF FISCAL YEAR 2011 PROPERTY TAX EXPENDITURES

5.000 Property Tax Exemptions

5.001 Nonprofit Medical Service Corporations

Statute: 8 V.S.A. §4518 and §4590

Enacted: 1939

Estimate: \$132,000

of parcels: 1

One nonprofit medical service corporation qualifies for this exemption.

PURPOSE To exempt non profit companies that provide health care insurance coverage.

5.002 Local Development Corporations

Statute: 10 V.S.A. § 236

Enacted: 1973

Estimate: \$100,000

of parcels: 33

Unoccupied portions of buildings and industrial parks owned by local development authorities are exempt.

PURPOSE To exempt government funded entities and promote economic development.

5.003 Vermont Housing Finance Agency

Statute: 10 V.S.A. § 641 (a)

Enacted: 1973

Estimate: \$63,000

of parcels: 20

All property of the agency is public property and exempt from all taxes.

PURPOSE To exempt quasi-governmental entities that provide and promote affordable housing.

5.004 Vermont State Colleges

Statute: 16 V.S.A. § 2178

Enacted: 1961; amended 2005.

Estimate: \$1,304,000

of parcels: 27

Property used for educational and not commercial purposes is exempt.

PURPOSE To exempt entities receiving government funding and provide higher education.

5.005 University of Vermont

Statute: 16A APPX V.S.A. § 1-15
Enacted: 1802
Estimate: \$10,064,000
of parcels: 145

Property used for educational purposes is exempt.

PURPOSE To exempt entities receiving government funding and provide higher education.

5.006 Libraries

Statute: 22 V.S.A. § 109
Enacted: prior to 1947
Estimate: \$911,000
of parcels: 146

If the institution is a free and public library, the library and other property is forever exempt.

PURPOSE To exempt libraries that offer free and public access to information and research resources.

5.007 Housing Authorities

Statute: 24 V.S.A. § 4020
Enacted: 1961
Estimate: \$1,322,000
of parcels: 56

The property of a housing authority is declared public property and is exempt.

PURPOSE To exempt quasi government entities that provide and promote affordable housing.

5.008 Federal and State Government Property

Statute: 32 V.S.A. § 3802(1)
Enacted: some version of this exemption existed when Vermont became a State in 1791; it was last amended in 1977 when the last clause (regarding repossessed or voluntarily conveyed housing) was added
Estimate: \$3,390,000 (federal); and \$4,079,000 (state)
of parcels: 444 (federal); 355 (state)

This includes Agency of Natural Resources-owned land and state-owned buildings for which PILOT (payment in lieu of taxes) payments are made. Some federal land, including the Green Mountain National Forest, is not included in this estimate.

PURPOSE States are prohibited from taxing the federal government. The state exemption is to prevent government from taxing itself.

5.009 Congressionally Chartered Organizations

Statute: 32 V.S.A. § 3802(2)
Enacted: 1957
Estimate: \$555,000
of parcels: 111

Congress issued federal charters from 1791 until 1992 and over 100 organizations have this status. Congress does not oversee or supervise organizations with the charter, and the designation was largely honorific. Congress suspended federal charters because of the unmerited public assumption that the charter signifies federal approval of the organization's activities. (CRS Report, April 8, 2004)

There are two main groups of congressionally chartered organizations, including veterans, fraternal or patriotic groups such as the American Red Cross, National Academy of Sciences, or Girl and Boy Scouts, and corporate entities such as the Federal Reserve Bank, Fannie Mae, Freddie Mac, and the Tennessee Valley Authority.

PURPOSE To exempt organizations providing civic services.

5.010 Public, pious, and charitable property

Statute: 32 V.S.A. §§3802(4) 3832, 3840, 5404(a)
Enacted: Some version of § 3802(4) existed when Vermont became a State in 1791; a version of §3832 was enacted in 1880
Estimate: \$44,006,000
of parcels: 2,272

Subdivision 3802(4) exemptions are grouped together because municipalities are only required to report the statutory reference and not differentiate between the various exemption types.

PURPOSE To exempt entities that provide religious, charitable, civic or public services.

5.011 College fraternities and societies

Statute: 32 V.S.A. §3802(5) (Note: this exemption is limited by 32 V.S.A. §3831)
Enacted: 1906
Estimate: \$160,000
of parcels: 10

Property held for the benefit of college fraternities and societies and corporations owning such property are exempt. The exemption shall not apply to property held for investment purposes.

PURPOSE To exempt organizations that provide civic services.

5.012 Young Men's and Women's Christian Associations

Statute: 32 V.S.A. §3802(6)
Enacted: 1906 (YMCA) and 1963 (YWCA)
Estimate: \$173,000
of parcels: 9

YMCA and YWCA property is exempt if it is used for the purposes of the organization and the income is used entirely for such purposes.

PURPOSE To exempt non profit organizations that offer benefits to the community.

5.013 Cemeteries

Statute: 32 V.S.A. § 3802(7); 18 V.S.A. §§5317, 5376
Enacted: some version of this exemption existed when Vermont became a State in 1791
Estimate: \$640,000
of parcels: 869

PURPOSE To exempt property with fair market value that is difficult to ascertain and limited options for alternative uses.

5.014 Owned by agricultural societies

Statute: 32 V.S.A. §3802(9)
Enacted: 1902
Estimate: \$393,000
of parcels: 13

The property is exempt if it is used annually for agricultural fairs.

PURPOSE To exempt property that is used to publicly support the state's agricultural economy.

5.015 \$10,000 exemption of appraised value of a residence for a veteran

Statute: 32 V.S.A. § 3802(11) and 32 V.S.A. § 6066(i)
Enacted: prior to 1910; amended 2011
Estimate: \$291,000
of parcels: 2,188

The exemption is for a veteran of any war or who has received an American Expeditionary Medal. The exemption also applies to the veteran's spouse, widow, widower, or child, if one or more of them are receiving disability compensation for at least 50 percent disability, death compensation, dependence and indemnity compensation, or pension for disability paid through any military department or the Veteran's Administration.

Because over 60% of the owners who receive this exemption pay education property taxes based on income, the statute was amended in 2011 to specify that the property tax adjustment shall be calculated without regard to the \$10,000 exemption.

PURPOSE To permanently provide property tax reductions to certain veterans and their families.

5.016 Property exclusively installed and operated for the abatement of water pollution

Statute: 32 V.S.A. § 3802(12)

Enacted: 1961

Estimate: Data unavailable and/or included in the municipal exemption estimate

This property is exempt as long as it meets with the approval of the Secretary of the Agency of Natural Resources.

PURPOSE To encourage real property improvements that abate water pollution.

5.017 Humane societies

Statute: 32 V.S.A. § 3802(15)

Enacted: 1976

Estimate: \$74,000

of parcels: 13

Property owned by a charitable, nonprofit organization devoted to the welfare, protection, and humane treatment of animals is exempt.

PURPOSE To eliminate property taxes for organizations that protect animals.

5.018 FQHC and RHCs

Statute: 32 V.S.A. § 3802(16)

Enacted: 1999

Estimate: \$246,000

of parcels: 22

Property owned by a federally qualified health center or a free-standing, federally designated rural health clinic is exempt.

PURPOSE To support health centers in an underserved area or population, offer a sliding fee scale, provide comprehensive services, and have an ongoing quality assurance program.

5.019 Ski Lifts and Snowmaking Equipment (Fixtures)

Statute: 32 V.S.A. § 5401(10)(D)
Enacted: 2002 (applicable to grand lists for 2004 and after)
Estimate: \$1,606,000
of parcels: 40

Personal property, machinery, inventory, and equipment, including ski lifts and snow-making equipment, is exempt.

PURPOSE To support the ski industry and encourage personal property investments and improvements.

5.020 Municipally owned

Statute: 32 V.S.A. § 5401(10)(F)
Enacted: 1997
Estimate: \$13,934,000
of parcels: 4,298

Prior to the enactment of Act 68 in 2003, which classified property as either homestead or nonresidential, there was no explicit statutory exemption for municipal property. However, case law recognized that municipal property enjoys an inherent exemption provided that it is used for a public purpose. In Act 68, the Legislature expressly excluded property owned by a municipality located in that municipality and is used for a municipal purpose from the education property tax base.

PURPOSE To prevent government from taxing itself.

5.021 Whey Processing Fixtures

Statute: 32 V.S.A. § 5401(10)(G)
Enacted: 2001
Estimate: \$281,000
of parcels: 2

Nonresidential property does not include machinery and equipment used directly in the processing of whey.

PURPOSE To support industries utilizing whey processing facilities.

5.022 Municipalities Hosting Large Power Plants

Statute: 32 V.S.A. § 5402(d)
Enacted: § 4502(d) – 2004; §5402a – 1999 (but special taxing provisions have applied since 1998)
Estimate: \$791,000

The nonresidential and the residential education property tax rates (adjusted appropriately for the CLA and district spending) are applied at $\frac{3}{4}$ of the base amount in the Town of Vernon, the only municipality that qualifies.

PURPOSE To lower property taxes by 25% for businesses and residents of the community hosting an operating nuclear power facility.

5.100 Adjustments to Property Values

5.101 Use Value Appraisal Program

Statute: Chapter 124 of Title 32

Enacted: 1977

Estimate: \$40,192,000 (Education Fund portion only)

of parcels 16,308

Commonly known as the "current use program," the existing program has been frequently changed, and the statutes amended. The estimated expenditure value does not include the appropriation for municipal reimbursement of taxes which was an additional \$12,289,000 for a total program cost of \$52.5 million in FY 2011.

PURPOSE To have the value of the land used for agriculture and forestry reflect how it is used rather than the "highest and best" use which is fair market value. This lowers the property level for these land-intensive industries.

5.102 Qualified Housing

Statute: 32 V.S.A. § 5404a(a)(6)

Enacted: 2004

Estimate: \$871,000

of parcels: 615

Residential rental units that are subject to specific rent restrictions may qualify for an exemption of 10% of the value of the parcel.

PURPOSE To reduce by 10% the taxes on housing with rent restrictions which make valuing these properties using the income approach difficult.

5.103 Tax Increment Financing Districts

Statute: 32 V.S.A. § 5404a(f)

Enacted: 1997, amended multiple times (1998 Act No. 71; 2000 Act No. 159; 2006 Act No. 184; 2008 Act No. 190; 2009 Act No. 54)

Estimate: \$1,966,000

TIF allows a municipality to retain and utilize a portion of the education property tax revenue from an approved district for improvements related to the district.

PURPOSE To allow communities to encourage investment in designated areas meeting certain criteria and to utilize locally the additional property tax revenue attributable to those improvements.

5.104 Property Tax Adjustments

Statute: Chapter 154 of Title 32
Enacted: 1997 (Note: Chapter 153, providing for payment of property tax rebates and credits, was enacted in 1969 and repealed in 1997 but the rebate program was incorporated into the new Chapter 154)
Estimate: \$150,100,000

Homestead property taxpayers may reduce their property tax liability by recalculating their education property tax as a percentage of household income. This figure is for the education property tax adjustment portion alone; it does not include the amounts reimbursed to homestead taxpayers under \$47,000 for municipal property tax adjustment, or renters in the circuit breaker program.

PURPOSE To allow property taxes on homesteads to reflect household income.

5.200 Session Law Exemptions

5.201 Permanent Session Law Exemptions (never codified)

Statute: Various
Enacted: Multiple dates
Estimate: \$31,000

The Legislature has enacted a number of property-specific permanent exemptions from education property tax. The ones that can be identified have been grouped together.

<u>Property Name</u>	<u>City/Town</u>	<u>Legal Reference</u>
Holton Home	Brattleboro	2008 Act No.190 and 1892 Act No.213
Moose Lodge	Rutland City	1945 Act No.204
Italian American Club	Rutland City	1939 Act No.250
American Legion	Rutland City	1921 Act No.31
Knights of Columbus	Rutland City	1921 Act No.262
Masonic Building	Brattleboro	1910 Act No.370
Masonic Temple	Rutland City	1900 Act No.244

PURPOSE These exemptions are permanently provided to specific properties that have demonstrated an individual purpose to the legislature.

5.202 Skating Rinks (temporary)

Statute: 2008 Act No.190 Sec. 40 (FY09 and FY10); Amended 2010 Act No. 160 Sec. 22 (FY11); Amended 2011 Act No. 45 Sec. 13f (FY12 at 50%)
Enacted: 2008; amended 2010 and 2011
Estimate: \$28,000
of parcels: 4

Property operated as a skating rink, on a nonprofit basis which provided facilities to local public schools for a sport officially recognized by the Vermont Principals' Association.

PURPOSE These exemptions are provided on a temporary basis while the legislature works to create a long term, comprehensive policy pertaining to these types of facilities.

5.203 Recreation Facilities (temporary)

Statute: 2008 Act No.190 Sec. 101 (FY09 only); 2009 Special Session Act No. 1 Sec. H.49 (FY10 and FY11); Amended 2011 Act No. 45
Sec. 13fe (FY12 at 50%)
Enacted: 2008; amended 2009 and 2011
Estimate: \$71,000
of parcels: 2

Buildings and land owned and occupied by a 501(c)(3) health, recreation, and fitness organization, one of which is designated by the Springfield Hospital and the other designated by the North Country Hospital, to promote exercise and healthy lifestyles for the community and to serve citizens of all income levels in this mission.

PURPOSE These exemptions are provided on a temporary basis while the legislature works to create a long term, comprehensive policy pertaining to these types of facilities.

5.204 VEPC Approved Stabilization Agreements

Statute: 32 V.S.A. §5404a
Enacted: 1997
Estimate: \$51,000
of parcels: 2

Municipalities that entered into property tax stabilization agreements for improvements to commercial or industrial property were allowed to apply to VEPC for additional state education property tax stabilizations for up to 10 years.

PURPOSE These exemptions are reviewed and provided on a case by case basis in conjunction with other economic development efforts.

5.300 Property Taxed Under Alternate Scheme

PURPOSE Each of these types of property is taxed under an alternative tax scheme that was determined to be more appropriate and not by the traditional method of applying the education property tax rate set annually to the fair market value of the property.

5.301 Large Power Plants

Statute: 32 V.S.A. §5401(10)(B)
Enacted: 1997; amended 2003 and 2012

Alternative Tax: 32 V.S.A §5402a (repealed effective 7/1/12)

The Vermont Yankee Nuclear power facility is exempt from the education property tax. Instead, the electrical energy generating tax in the amount of \$0.0025 per kWh of electrical energy produced is applied. This tax began on July 1, 2012. Prior to the current tax, between 2004 and 2012, the facility was charged alternate, tiered, electric generating plant education property tax based on the megawatt hours of generation. Between 1997 and 2004, the education property tax was set as a percentage of the "appraised value" of the facility. The appraised value was defined as "its original cost less depreciation as reported to the public service board for rate regulation purposes" or net book value.

5.302 Railroad Property

Statute: 32 V.S.A. §3803(1)
Enacted: 1882
Alternative Tax: 32 V.S.A. §8211

An alternative tax is assessed on the appraised value of property and corporate franchise of each railroad company. The revenue is split between the state's general fund and the town where the railroad property is located.

5.303 Telephone Property Tax

Statute: 32 V.S.A. §3803(2)
Enacted: 1882
Alternative Tax: 32 V.S.A. §§8521 and 8522

A company may elect either a telephone property tax of 2.37% of net book value or an alternative tax based on gross operating revenue. This is a general fund tax source, rather than the education fund where property taxes and their alternatives are typically deposited.

5.304 Wind-Powered Electric Generating Facilities

Statute: 32 V.S.A. § 5401(10)(J)(i)
Enacted: 2008; amended 2012
Alternative Tax: 32 V.S.A. § 5402c(a)

The buildings and fixtures (not the land) of wind-powered electric generating facilities that are one megawatt and over are exempt from education property tax. The alternate tax is \$0.003 per kWh of electrical energy produced. The alternative tax was amended (2012 Act No. 127 Sec. 5) to apply to facilities that generate at least one megawatt instead of the original five megawatts. Smaller facilities are exempt.

5.305 Renewable Energy Plant Generating Electricity from Solar Power

Statute: 32 V.S.A. § 5401(10)(J)(ii)
Enacted: 2012
Alternative Tax: 32 V.S.A. § 8701

The fixtures and personal property (not land) of a solar electric renewable energy plant are exempt from the education property tax. Plants larger than 10 kWh are subject to a uniform capacity tax of \$4.00 per kWh of plant capacity. Smaller facilities are exempt from both the property tax and the generation tax. The exemption for small facilities is repealed in 10 years on January 1, 2023.

LIST OF FISCAL YEAR 2011 BANK FRANCHISE TAX EXPENDITURES

6.000 Exemptions from Tax on Deposits

6.001 Credit Unions

Statute: 8 V.S.A. §2085
Enacted: 1967
Estimate: \$1,297,000

Deposits and shares in Vermont state-chartered credit unions are not subject to taxation.

PURPOSE: To subsidize financial services for individuals with low and moderate incomes and in underserved communities.

6.100 Bank Franchise Tax Credits

6.101 Affordable Housing Credit

Statute: 32 V.S.A. §5930u
Enacted: 2000
Estimate: \$1,377,300

A credit is available for affordable rental housing projects or owner-occupied affordable housing units, provided the project has been authorized by the Vermont Housing Finance Agency. The amount of the credit is based on a taxpayer's eligible cash contribution and the agency's allocation plan. Total tax credits available to the taxpayer are the amount of the first-year allocation plus the succeeding four years' deemed allocation.

PURPOSE To encourage the investment in and development of affordable housing in Vermont.

6.102 Downtown and Village Center Program Tax Credits

Statute: 32 V.S.A. §5930cc
Enacted: 2006 (replacing similar credits from 1997)
Estimate: \$894,300

Three available credits for improvements in a designated downtown or village center:

Historic rehabilitation – 10% of qualified rehabilitation expenditures

Façade improvement – 25% of qualified expenditures (maximum = \$25,000)

Code improvement – 50% of qualified expenditures.

PURPOSE To provide incentives to improve and rehabilitate historic properties in designed downtowns and village centers.

6.103 Entrepreneurs' Seed Capital Fund Credit

Statute: 32 V.S.A. §5830b
Enacted: 1986; amended 2006
Estimate: \$0

A credit is available for a taxpayer who contributes to the fund in an amount equal to the lesser of either 4% of the taxpayer's contribution or 50% of the taxpayer's tax liability for the year prior to claiming the credit, provided that the aggregate credit allowable for all taxable years not exceed 20% of the taxpayer's contribution to the initial capitalization of the fund.

PURPOSE To provide an incentive for investment in small businesses in Vermont.

6.104 Charitable Housing Credit

Statute: 32 V.S.A. §5830c
Enacted: 1990
Estimate: \$0

Credit for the difference between interest income that would have been received at the charitable threshold rate and actual interest income received. The rate effective each July 1 is 2% below Bank Prime Loan Rate for March.

PURPOSE To encourage investment in housing in Vermont.

LIST OF FISCAL YEAR 2011 INSURANCE PREMIUMS TAX EXPENDITURES

7.000 Insurance Premiums Tax Credits

7.001 Affordable Housing Credit

Statute: 32 V.S.A. §5930u
Enacted: 2000
Estimate: \$440,000

A credit is available for affordable rental housing projects or owner-occupied affordable housing units, provided the project has been authorized by the Vermont Housing Finance Agency. The amount of the credit is based on a taxpayer's eligible cash contribution and the agency's allocation plan. Total tax credits available to the taxpayer are the amount of the first-year allocation plus the succeeding four years' deemed allocation.

PURPOSE To encourage the investment in and development of affordable housing in Vermont.

7.002 Downtown and Village Center Program Tax Credits

Statute: 32 V.S.A. §5930cc
Enacted: 2006 (replacing similar credits from 1997)
Estimate: \$0

Three available credits for improvements in a designated downtown or village center:
Historic rehabilitation – 10% of qualified rehabilitation expenditures
Façade improvement – 25% of qualified expenditures (maximum = \$25,000)
Code improvement – 50% of qualified expenditures.

PURPOSE To provide incentives to improve and rehabilitate historic properties in designed downtowns and village centers.

7.003 Entrepreneurs' Seed Capital Fund Credit

Statute: 32 V.S.A. §5830b
Enacted: 2004, amended 2006
Estimate: \$0

A credit is available for a taxpayer who contributes to the fund in an amount equal to the lesser of either 4% of the taxpayer's contribution or 50% of the taxpayer's tax liability for the year prior to claiming the credit, provided that the aggregate credit allowable for all taxable years not exceed 20% of the taxpayer's contribution to the initial capitalization of the fund.

PURPOSE To provide an incentive for investment in small businesses in Vermont.

7.100 Exemptions from the Premiums Tax

7.101 Annuity Considerations

Statute: 8 V.S.A. §3718

Enacted: 1967

Estimate: \$9,462,000

No tax shall be due as from annuity considerations

PURPOSE To exempt non-traditional insurance/financial products from taxation.

7.102 Fraternal Societies

Statute: 8 V.S.A. §4500

Enacted: 1959

Estimate: Less than \$100,000

Fraternal organizations are exempt from the premiums tax.

PURPOSE To exempt organizations that are not insurance companies.

7.103 Hospital and Medical Service Organizations

Statute: 8 V.S.A. §§4518, 4590

Enacted: 1939

Estimate: \$8,909,000

Hospital services and medical services organizations are exempt from the premiums tax.

PURPOSE To exempt non profit companies that provide health care insurance coverage.

LIST OF FISCAL YEAR 2011 GASOLINE AND DIESEL FUEL TAX EXPENDITURES

8.000 Gasoline and Diesel Fuel Tax Expenditures

8.001 Gasoline Tax

There are no end user exemptions from the gasoline tax.

8.002 Diesel Tax

Statute: 23 V.S.A. §3003
Enacted: 1982
Estimate: \$11,200,000

Note: The TIB assessment on diesel fuel was effective for only part of FY2009 which largely explains the increase in the estimate from FY 2009 to FY 2011.

23 V.S.A. §3003 imposes on the sale of diesel fuel (1) a tax of \$0.25 per gallon, (2) a petroleum distributor license fee of \$0.01 per gallon which is deposited in the petroleum cleanup fund and (3) a transportation infrastructure bond (TIB) fund assessment of \$0.03 per gallon. This analysis treats exemptions from the tax, fee and assessment as all being tax expenditures and herein the term "tax" is all inclusive.

As specified in 23 V.S.A. §3003(d)(1), the following uses are exempted from the diesel fuel tax, the license fee and TIB assessment:

- off-road uses for agricultural purposes
- use by a vehicle registered as a farm truck
- off-road uses by any vehicle
- uses by state or municipal entities (including school districts, fire districts)
- use by a non-profit public transit agency

Purpose: The exemption for off road uses and farm trucks is based on the idea that the diesel tax is a user fee imposed on and limited to users of the state highway system. The exemption for municipal entities and public transit agencies is based on administrative convenience.

LIST OF FISCAL YEAR 2011 MOTOR VEHICLE PURCHASE AND USE TAX EXPENDITURES

9.000 Motor Vehicle Purchase and Use Tax Expenditures

9.001 Religious or charitable institutions or volunteer fire companies

Statute: 32 V.S.A. §8911 (3)
Enacted: 1960, amended 1987, 2006
Estimate: \$107,000

Purpose: To relieve the burden of state exactions on selected groups.

9.002 Non-registered vehicles

Statute: 32 V.S.A. §8911 (5)
Enacted: 1960, amended 1987, 2006
Estimate: Data unavailable

Purpose: From a user fee perspective, since only registered vehicles are entitled to use the state highway system, non-registered vehicles impose no costs on the system.

9.003 Gifts

Statute: 32 V.S.A. §8911 (8)
Enacted: 1960, amended 1987, 2006
Estimate: \$2,410,000

Purpose: To avoid the intrusion of a tax into sharing transactions that are common within families.

9.004 IRC Sec. 351

Statute: 32 V.S.A. §8911 (10)
Enacted: 1960, amended 1987, 2006
Estimate: \$15,000

Note: "IRC Sec. 351" refers to transfers by an owner to a business controlled by the owner pursuant to Internal Revenue Code Sec. 351.

Purpose: To limit the tax to transfers of ownership between two distinct parties as opposed to the same party wearing different legal hats.

9.005 Handicapped

Statute: 32 V.S.A. §8911 (12)
Enacted: 1960, amended 1987, 2006
Estimate: \$25,000

Purpose: to relieve the burden of state exactions on selected groups.

9.006 Veterans

Statute: 32 V.S.A. §8911 (14)
Enacted: 1960, amended 1987, 2006
Estimate: \$27,000

Purpose: to relieve the burden of state exactions on selected groups.

9.007 General exemption of trade-in value

Statute: 32 V.S.A. §8902(4) and (5)
Enacted: 1960, amended 1967
Estimate: \$22,900,000

Purpose: The standard rationale for the trade-in allowance is that it is necessary to avoid “double-taxation” – but absent the exemption a person buying one vehicle and trading in another would not be taxed twice for their purchase or use of the same vehicle. More precisely, the exemption reflects the view that when you pay a tax on the use value of a vehicle, that tax payment is like a credit that you should be able to draw down against your use of that vehicle and if you sell it when it has a residual value, to transfer the credit to a new vehicle.

In a round-about way, the exemption reflects the view that the state should tax the use value of a vehicle one and only one time. It is roundabout because in fact the state does tax the same use value multiple times (whenever a vehicle is transferred); but when the chain of trade-in allowances is accounted for, the use value of all registered vehicles is taxed only once. For example, suppose Owner #1 buys a new \$40,000 “Magnus” with no trade-in, then sells it to Owner #2 when it has a residual (trade-in) value of \$30,000 who sells it Owner #3 when it has a residual value of \$20,000 who sells to Owner #4 when it’s value is \$10,000 who drives the car until it has to be junked. Through that chain of ownership, Owners 1-4 will pay a P&U tax on $\$40,000 + \$30,000 + \$20,000 + \$10,000 = \$100,000$ of use value associated with the Magnus. In turn, Owner #1 acquires a trade-in allowance of \$30,000, Owner #2 a trade-in allowance of \$20,000 and Owner #3 a trade-in allowance of \$10,000 which they can use to avoid paying tax on the use value of different vehicles. P&U tax ends up being paid on \$100,000 of use value on the Magnus while \$60,000 of P&U tax value on other vehicles is not paid because of the trade-allowances. When the Magnus is taken to the junk yard, the state will have collected P&U tax on $\$100,000 - \$60,000 = \$40,000$ of net use value, equal to the original value of the Magnus.

November 15, 2013

C.
Greg Smith
VT. Lottery
11/21/2013

H.530 Section E.141 – Lottery

The Executive Director of the Vermont State Lottery Commission shall report to the Joint Fiscal Committee at its November 2013 meeting on the operational, fiscal, and public policy issues of allowing Keno games in Vermont.

Keno is a well established lottery draw game currently offered in 15 states – MA, RI, NY, MD, DE, OH, WV, MI, DC, GA, KS, MO, CA, OR, and WA. In 2013 CT voted to offer Keno through their lottery, the KY Lottery started selling the game last week, and NH is evaluating Keno in committee after deciding against opening casinos. Keno annual sales have grown over by over 10% during the past two fiscal years, from \$2.85 billion in FY11 to \$3.15 billion in FY13. On a national level only Powerball, Pick 3 and Pick 4 have higher annual sales than Keno, and these games are played in 35 - 45 states, while Keno is played in just fifteen states.

OPERATIONAL PLAN:

Keno is played by drawing 20 numbers from a field of 80 numbers. Players normally select as few as one number, or up to 10 numbers, and win based on how many of their numbers match the 20 numbers for that drawing. Each entry or play costs \$1, and prizes range from \$1 to \$100,000. Drawings occur every five minutes each day during hours designated by the Lottery.

A gaming vendor would administer the game for the Lottery, providing Keno through a central gaming system. The gaming vendor would deliver the game for Vermont by:

- Providing Keno hardware and software -- fulfilling the random drawing system requirements, tracking sales and wins by draw period, and updating lottery systems with winning numbers and prize liabilities for each draw. This would also require them to provide sales terminals, network communications and Keno monitors in locations that wanted to provide the live video of draw results, or simply display draw results on the customer facing monitors that exist in most lottery agent locations today.
- Providing field support – providing play slips and instructional material for customers, and training and instructional material for lottery agents and staff.
- Providing marketing and promotion support – participate with the Vermont Lottery in marketing and promoting Keno. This would include television, radio and online media, point-of-sale displays, in-store digital media through existing equipment, and local events sponsored by gaming vendor and lottery at specific agent locations around the state. The lottery would also continue to support Keno with our annual marketing plan to develop sales growth to its full potential.
- Providing retailer recruiting services – assisting the Lottery's efforts to add more agents in businesses around the state who want to offer the game to their customers.

The Vermont Lottery currently has approximately 700 agents throughout the state. We believe that this number would grow by 100-200 within a few years through the addition of bars and

restaurants that choose to offer Keno to their customers. In states that currently offer Keno, based on the interest of their customers, some convenience stores, markets, and bowling alleys have established small parlors on their property with tables and chairs so players can enjoy coffee and snacks while playing the game. In most states the draws occur every 5 minutes.

While the exact total of annual sales of break-open tickets is in question, there is no disputing the fact that tens of millions of dollars are spent each year in Vermont by bar and store customers on these games. Another fact to be considered is that Vermont is surrounded by states and countries that already offer (or in NH's case, soon to be) Keno, casino gambling, horse racing and off-track-betting. Vermont's citizens that want to play these games do not have far to go to get them, and you can visit bordering state stores to see Vermonters there making purchases. A market survey from April 2012 by the Center for Research and Public Policy shows 24% of Vermont lottery player respondents do travel to other states to play lottery games.¹

FISCAL PLAN:

Attached is a pro-forma financial statement for years 1-3 with assumptions noted. The table below shows the estimated gross sales and net profits.

Estimated Sales/Profits	Year 1	Year 2	Year 3
Gross Sales	\$7,280,000	\$12,870,000	\$14,560,000
Net Profits	\$1,596,000	\$3,040,000	\$3,540,000

Lottery sales are generally measured as sales per capita per week. The range of per capita sales for Keno in the 15 states offering it is from \$2.33 in Massachusetts to \$0.01 in Washington State². After dropping the highs and lows, the average is \$0.45 per capita. Some lotteries such as Washington only do one draw per day instead of every 5 minutes. States with large populations tend to be at the lower end of per capita sales, as are states with larger portfolios of gaming offerings. Our sales plan, supported by our marketing plan, projects Keno in Vermont starting at the lower end and developing to near average per capita levels after three years. Vermont ranks in the top half of all US lotteries when measuring per capita sales for all lottery games (16th for instant ticket sales, 26th for draw game sales, and 22nd overall out of 44).

Marketing expenses in the first year will be higher due to game launch and promotional activity. By adding additional agents and achieving higher total sales, the Lottery will likely need to add up to 1-2 field sales positions and one office position to manage the accounts for this game. Each lottery field sales representative handles approximately 125 agents currently. If we have already acquired some of the new agents before starting Keno and added to staffing due to this increase, then additional positions may not be necessary.

The additional contribution to Problem Gambling is optional, and is based on our current approach to funding the Vermont Council on Problem Gambling (VCPG) through a grant. The

¹ Survey performed by Center for Research and Public Policy, April, 2012.

² la fleur's Publication vol 21, Sept/Oct 2013.

Agency of Human Services and the Lottery will be submitting recommendations in January to the Appropriations Committees about alternative approaches.

Profits from Keno could be allocated to specific targets such as in-state scholarship programs, capital purchases, or remain fully devoted to the Education Fund.

PUBLIC POLICY:

Problem Gambling – due to confidentiality, and sensitivity to surveying callers or visitors to the VCPG website, we have not seen solid data about the quantity of problem gamblers in Vermont. VCPG provided data to us that shows 569 total calls over 11 months from within Vermont to the in-state helpline and the national helpline. They also added that it is common for calls to be wrong numbers, with callers thinking they called the Lottery and asking for the winning numbers. Regardless of the quantity of Vermonters that need assistance with this addiction, the Lottery will continue to provide funding for raising awareness, supporting their mission, and training for counselors, using all methods of media and marketing. That consists of TV, radio, and listing the VCPG website and phone number on all media and lottery tickets, print ads, and event sponsorships. The Lottery shares the same view as the VCPG and National Council as well – we are not against lotteries or gambling, we just want to help people who have trouble and get too involved at whatever point they recognize the problem.

Cost of Education continues to rise – many state lotteries have their profits dedicated to some type of education funding, whether it supports primary and secondary schools, capital expenses or college scholarships. Wherever the profits go, Keno profits will increase the total contribution from the Lottery. Across the nation, when lottery profits support education funding it typically equals somewhere between 1-5% of total state education spending. Vermont Lottery profits are approximately 1.7% of our education spending.

Player Demographics and Actions – a 2012 survey by the Center for Research & Public Policy shows some demographic information about age, sex, education level and income for lottery players, and includes the same data for players from 2008. Over 45% of Vermonters play lottery with some level of frequency, up from 40% in 2008. The trends show that the lottery has well balanced support across income levels and education levels. Additionally, the average player's age has dropped by 5 years over the last four years, and the quantity of Vermonters who play lottery has increased, so lottery players are a broader and younger group of Vermonters than in 2008.³

Approximately 24% of lottery players said they travel to neighboring states to play lottery games, showing they look for different games and higher prize opportunities – almost every instant game ticket offered by our neighboring state lotteries has a higher prize than Vermont does. Another survey from 2013 showed that 22% of Vermonters have traveled to a casino within the past two years, and 7% of Vermonters already play casino games on the internet.⁴

³ Survey performed by the Center for Research and Public Policy, February, 2008 and April, 2012.

⁴ Survey performed by the Center for Research and Public Policy, March, 2013.

Lottery Sales Remain in Vermont – over 95% of Vermont Lottery sales stay in the hands of Vermonters. On an annual basis:

- 64% of sales are returned to players as prize money.
- 22% of sales are profits that are transferred to the Education Fund.
- 6% of sales are paid to lottery agents as a commission.
- 3% of sales pay the lottery overhead (staff, rent, marketing, utilities, etc).
- Additional portions are paid to lottery vendors who are staffed by Vermonters.

SUMMARY

The Keno game is considered one of the lighter or lower end casino games, and is offered by state lotteries in states with casino operations and states without casinos. Similar to many lottery games, many people know the name but cannot describe it and do not know how to play it. Like any new product offered by any retailer, it will take a full marketing plan to launch the game correctly, attracting new agents to offer it, and customers to try it and become players.

Keno will attract new players and current lottery players. Some current players will add more to their spending, helping to create revenue growth and others will spend the same amount with the same frequency, generating no incremental revenue growth. The variety of venues that may choose to offer Keno will attract new players and possibly the majority of new revenue. Additional market research will help us further understand the public's knowledge of the game and how to bring Keno into the marketplace.

We estimate that it will take approximately 9 months to bring the game to market.

Respectfully submitted,

Greg Smith
Executive Director,
The Vermont Lottery

Vermont Lottery Revenue and Expense Estimates for Keno
Prepared for Joint Fiscal Office, November 2013

		Year 1		Year 2		Year 3	
Keno Game Sales		\$7,280,000		\$12,870,000		\$14,560,000	
Sales Per Capita Per Week		\$0.224		\$0.396		\$0.448	
Cost of Sales							
Prizes expense	65%	4,732,000		8,365,500		9,464,000	
Gaming vendor expense	3%	218,400		386,100		436,800	
Lottery agent commission	6%	436,800		772,200		873,600	
Total Cost of Sales	74%	5,387,200		9,523,800		10,774,400	
Gross Margin		1,892,800	26%	3,346,200	26%	3,785,600	26%
Operating Expenses							
Staffing (wages + benefits)		60,000		120,000		120,000	
Marketing		175,000		125,000		75,000	
Vehicle & fuel		15,000		25,000		25,000	
Office expenses		21,000		11,000		-	
Contribution to Problem Gambling		25,000		25,000		25,000	
Total Operating Expenses		296,000	4%	306,000	2%	245,000	2%
Net Profit		\$1,596,800	22%	\$3,040,200	24%	\$3,540,600	24%

Assumptions

Revenue:

	YR 1	YR 2	YR 3
new agents - total includes prior years	100	200	250
new agent weekly sales	\$ 700	\$ 800	\$ 700
current agents	700	700	700
current agent weekly sales	\$ 100	\$ 125	\$ 150
population	625,000	625,000	625,000

Expenses:

One additional employee in year 1, and one more in year 2 - inclusive of benefits.

Office expenses include estimates for physical changes to leased space, and technology hardware and software, and travel expense for attending promotions/events.

Current contribution to VCPG is \$200,000 annually.

Other current lottery expenses remain unchanged.

Lottery Director's testimony before JFO comm. mtg on 11-21-13

Keno is the game that this report is about, but I think we are really talking about the potential for raising more money by offering additional lottery games.

While lotteries are often described as a regressive tax on the poor, they are actually a voluntary consumer decision for discretionary spending. Just like in other states, Vermonters choose to play lottery games, and some of this same group, and others that do not currently play lottery, will choose to play Keno. A lottery survey from 2012 show that 24% of our population drive to our bordering states to play their lottery games. A Nat'l Assoc of Conv Stores survey shows that lottery players spend more in stores than non-lottery customers, and this excludes the actual lottery spending. I expect that some Vermonters will no longer, or less frequently, take that trip to buy lottery games -- spending their money in VT instead. And that our small business owners will benefit as well, because there will be more spending in their stores, and not on just lottery games.

Lotteries are designed to raise money, with some early lotteries for Harvard University back in 1700's run to raise funds for buildings on campus. Lotteries are well known to Vermont residents, with almost half participating last year with some frequency. Every one of them hopes to win the top prize, wants to win at least their money back, and will say "I never win". Many balance their spending decision by the knowledge that someone wins the prizes and the rest goes to support education spending. The same consumer thoughts apply to the variety of competing product -- 50-50 raffles, break open tickets and the game at hand, Keno. People want to win something when playing these games, and when they don't, they know that the designated non-profit will get the funds and that justifies their decision.

Emotions and support of lottery in Vermont seems to fall into three general groups -- players and supporters, non-players and unconcerned, and non-players who wish it did not exist. Recent surveys show that lottery players in Vermont are well balanced over various income levels and education levels. What is better known among players is that you don't have to win the top prize against the highest odds to make it worthwhile. Simply improving the funding of your week, month or year are reason enough to buy a ticket. Many people can quote the astronomical odds of winning the Powerball jackpot at 1:175M but few know the odds of winning our best selling games, the instant tickets. What is proven by their sales is that the odds are good enough to play on a regular basis. These odds vary by price point and are generally in the range of 1:4. It is not unreasonable to think that since the recession in 2008 and resulting contraction of retirement savings, many higher income and higher educated Vermonters view lottery as a chance to recover some of what savings were lost, or what income may never be earned, before retirement begins. Vermonters are also going to casinos with greater frequency, growing from 17% in 2012 to 21% in 2013. And gambling on-line is done by 7% of us as of 2013

Many would choose to not base government spending on lottery or gambling profits, but as soon as the dollars are added on the revenue side, they are relied upon. Lottery and gambling expansion has occurred in many states over the past 20 years. I believe it is now 22 states that currently have casinos and a few others are looking to add them. Annual lottery sales in the US exceed \$65 B, about double that of annual casino revenue. The point is that Americans are

inclined to entertain themselves with these games of chance. And there will always be people that play too much or get in too deep. The Vermont Lottery has one of the highest per capita contributions to support problem gambling, and I think we should continue that approach as long as the funding proves beneficial. If Vermonters want to play Keno or any lottery game, and the end result of that interest is increased funding that does not need to occur by taxation, then why not allow it?

Statement of Confidentiality and Ownership

All of the analyses, findings, data, and recommendations contained within this report are the exclusive property of the Vermont Lottery Commission with offices located in South Barre, Vermont.

As required by the Code of Ethics of the National Council on Public Polls and the United States Privacy Act of 1974, The Center for Research and Public Policy maintains the anonymity of respondents to surveys the firm conducts. No information will be released that might, in any way, reveal the identity of the respondent.

Moreover, no information regarding these findings will be released without the written consent of an authorized representative of the Vermont Lottery Commission.

TABLE OF CONTENTS

SECTION 1

Introduction	Page 3
--------------------	--------

SECTION 2

Methodology	Page 4
-------------------	--------

SECTION 3

Highlights	Page 6
------------------	--------

SECTION 4

Summary of Findings	Page 10
<i>Quality of Life</i>	10
<i>Awareness / Knowledge</i>	11
<i>Entertainment Venues</i>	14
<i>Lottery Playing</i>	16
<i>Player History</i>	17
<i>Non-Player History</i>	19
<i>Technology</i>	21
<i>The Market</i>	23
<i>Sources for Information</i>	23
<i>Demographics</i>	27

SECTION 5

Appendix	Page 29
<i>Cross tabulations</i>	
<i>Survey Instrument</i>	
<i>Composite Aggregate Data</i>	

INTRODUCTION

The Center for Research & Public Policy (CRPP) is pleased to present the results to the *2012 Demographic Study* conducted on behalf of the Vermont Lottery Commission.

CRPP was commissioned by the Vermont Lottery Commission to measure quality of life, standard of living, playing/non-playing history, use of technology and other important issues including the collection of demographic information on both players and non-players.

The research included a comprehensive telephone survey of 1000 Vermont adult residents. A total of 45.4% of these respondents reported they currently play Vermont Lottery games while 54.6% suggested they did not. All surveys were conducted by phone – both cell and landline. CRPP, working together with the Vermont Lottery and Intralot, designed the survey instrument to be used when calling residents of Vermont.

This report summarizes information collected from telephone surveys conducted April 16 – 27, 2012.

The survey instrument employed in the *2012 Demographic Study* included the following areas for investigation:

- Quality of life;
- Current standard of living;
- Awareness of Vermont Lottery characteristics such as the tagline;
- History of and reasons for visiting Casinos in surrounding states;
- History of playing Vermont Lottery;
- Perceptions of convenience of ticket purchase points or outlets;
- Among non-players, reasons for not playing or no longer playing;
- Use of technology such as smart phones and social media;
- The market for Vermont Lottery purchases under different scenarios;
- Sources for information; and
- Demographics.

Section II of this report discusses the Methodology used in the study, while Section III includes Highlights derived from an analysis of the quantitative research. Section IV is a Summary of Findings for the residential telephone surveys - a narrative account of the data.

Section V is an Appendix to the report containing a cross tabulation table, composite aggregate data and a copy of the survey instrument.

METHODOLOGY

The Center for Research & Public Policy utilized a quantitative research design to collect information from Vermont Lottery residents statewide. All telephone interviews were conducted April 16 – 27, 2012.

Survey input was provided by the Vermont Lottery and Intralot.

Survey design at CRPP is a careful, deliberative process to ensure fair, objective and balanced surveys. Staff members, with years of survey design experience, edit out any bias. Further, all scales used by CRPP (either numeric, such as one through ten, or wording such as strongly agree, somewhat agree, somewhat disagree, or strongly disagree) are balanced evenly. And, placement of questions is carefully accomplished so that order has minimal impact.

All population-based surveys conducted by CRPP are proportional to population contributions within states, towns, and known census tract, group blocks and blocks. This distribution ensures truly representative results without under or over representation of various geographic or demographic groups within a sampling frame.

CRPP utilized a “super-random digit” sampling procedure, which derives a working telephone sample of both listed and unlisted telephone numbers. This method of sample selection eliminates any bias toward only listed telephone numbers. Additionally, this process allows randomization of numbers, which equalizes the probability of qualified respondents being included in the sampling frame.

One survey instrument was used to elicit information from all Vermont respondents. Respondents qualified for the survey if they confirmed they were at least 18 years of age, and were current residents of Vermont.

CRPP staff completed surveys among 1000 residents. Of this total, 454 indicated they currently play Vermont Lottery while another 546 suggested they did not currently play Vermont Lottery games.

Training of telephone researchers and pre-test of the survey instrument occurred April 7 – 13, 2012.

All facets of the study were managed by CRPP’s senior staff. These aspects include: survey design, pre-test, computer programming, fielding, coding, editing, data entry, verification, validation and logic checks, computer analysis, analysis, and report writing.

Statistically, a sample of 1000 Vermont residents represents a margin for error of $\pm 3.0\%$ at a 95% confidence level. The samples of 454 players and 546 non-players have associated margins for error of $\pm 5.0\%$ and $\pm 4.0\%$, respectively, at 95% confidence levels.

In theory, a sample of Vermont residents will differ no more than $\pm 3.0\%$ than if all Vermont residents were contacted and included in the survey. That is, if random probability sampling procedures were reiterated over and over again, sample results may be expected to approximate the large population values within plus or minus $\pm 3.0\%$ -- 95 out of 100 times.

Readers of this report should note that any survey is analogous to a snapshot in time and results are only reflective of the time period in which the survey was undertaken. Should concerted public relations or information campaigns be undertaken during or shortly after the fielding of the survey, the results contained herein may be expected to change and should be, therefore, carefully interpreted and extrapolated.

Furthermore, it is important to note that all surveys contain some component of "sampling error". Error that is attributable to systematic bias has been significantly reduced by utilizing strict random probability procedures. This sample was strictly random in that selection of each potential respondent was an independent event, based on known probabilities.

Each qualified household within Vermont had an equal chance for participating in the study. Statistical random error, however, can never be eliminated but may be significantly reduced by increasing sample size.

HIGHLIGHTS

ON QUALITY OF LIFE...

- Impressively, on a composite basis, 95.5% of survey respondents reported their quality of life in the State of Vermont as very good or good. Among Vermont Lottery players the percent was 94.7% while among non-players the percent was somewhat higher at 96.2%. In 2008, positive quality of life among players and non-players was recorded at 93.9% and 95.5% respectively.
- Just under three-quarters of all respondents, 72.5%, suggested, compared to two years ago, their standard of living was better or the same but good. Among just players, the percent was 68.1% while among non-players, the percent was recorded at 76.2%.

ON AWARENESS / KNOWLEDGE...

- On a composite basis, awareness (very or somewhat aware) of the Vermont Lottery tagline “Please Pay Responsibly” was 87.3%. Among players and non-players, the percent aware is 92.3% and 83.2% respectively. In 2008, 96.6% of players were very or somewhat aware.
- Over three quarters of all respondents, 75.9%, indicated they were very or somewhat aware that 100% of all Vermont Lottery profits go to education in the state. Among players the percent is higher at 81.1% and among non-players, the percent is 71.6%.
- A large majority of all respondents, 89.3%, suggested they were very or somewhat aware of the stores selling Vermont Lottery tickets in their area. Perhaps as expected, players were significantly more aware (97.6%) than non-players (82.4%).
- Just over half of all respondents, 57.2%, indicated they were very or somewhat aware of Lottery promotions as they happen. The percent is higher among players at 71.6% while lower among non-players at 45.2%.
- Respondents are most likely to see, hear or read Vermont Lottery advertising on television (62.4%), signage at stores (36.8%), on radio (31.8%), and in newspapers (8.8%).

ON ENTERTAINMENT VENUES...

- Among all respondents, 17.3% suggested they have traveled to a Casino in another state over the past two years. The percent is higher (28.0%) among players and lower (8.5%) among non-players.
- Players travel to Casinos mostly for gaming (40.2%) followed by social aspects (29.1%) and entertainment /shows (26.8%). Non-players travel to Casinos mostly for entertainment (41.3%) followed by social aspects (32.6%) and gaming 21.7%).
- Players reported planning to spend significantly more on games during a Casino visit (\$488.68 average) than non-players (\$134.05 average).
- Favorite games at Casinos among players include: slots (61.4%), blackjack (27.6%), roulette (9.4%), and poker slots (7.9%). Favorite Casino games among non-players were similar with less frequency of mention – slots (43.5%), blackjack (34.8%) and roulette (8.7%).
- In 2008, researchers found the average monthly expenditure among players for entertainment (restaurants, arts/culture, plays, shows or sporting events) was \$130.88. In 2012 the average monthly expenditure was up to \$151.98 among players. In 2012, on a composite basis, the average was \$153.76 and among non-players the average was \$155.27.

ON LOTTERY PLAYING...

- In 2012, researchers found 45.4% of all respondents indicated they currently play Vermont Lottery games. This is up, somewhat, from 40.5% in 2008.

ON PLAYER HISTORY...

- Three quarters of players interviewed (74.2%) indicated they play Powerball, Mega Millions or Hot Lotto while 51.5% suggested they play Tri-State Lottery terminal games. Another 47.1% suggested they play Instant Scratch-Off games and 15.0% said they play “Lucky for Life”.
- In 2008, 60.3% of players reported playing terminal games while 50.8% suggested they play Instant Scratch-Off games.
- The average amount spent weekly by players on these four series of games – Instant Scratch-Off, Powerball/Mega Millions/Hot Lotto, Tri-State Terminal, and Lucky for Life was \$7.36, \$5.73, \$5.10 and \$4.44 respectively.
- A large majority of players, 92.5%, rated their usual point of Lottery ticket purchase as very convenient.

- The average dollar amount a Lottery Jackpot needs to be in order to see players begin playing is \$37 million dollars in 2012. This is up from \$34.8 million in 2008.
- While 75.8% of players do not travel to neighboring states to play Lottery games, 24.2% suggested they do. Of this group, favorite games included Instant Scratch Games, Powerball, Mega Millions, and Megabucks Plus.

ON NON-PLAYER HISTORY...

- Over half of all non-players (56.0%) indicated they have played the Lottery in the past. This is up from 38.2% recorded in 2008.
- Primary reasons for not playing or not playing anymore were “Chance of winning is unlikely”, “It’s a waste of money”, “Do not have the extra money/can’t afford it/afraid to lose money/fixed income”, and “Just not interested”.

ON TECHNOLOGY...

- Among all respondents, 34.6%, indicated to researchers that they have and use a smart phone. Another 90.6% have access to the internet at home, at work or at both locations. Slightly fewer, 85.9%, suggested they have “high speed” internet. Another 56.9% of all respondents said they use some form of social media such as LinkedIn or Facebook.
- The percent of players with high speed internet in 2012 was 85.9% -- up from 75.5% in 2008.
- Among players, 13.9% would use a current or future smart phone to access a Vermont Lottery App. And, 13.0% of players would use the current or future smart phone to purchase Vermont Lottery tickets.

ON THE MARKET...

- Among all respondents, 39.2% suggested they would be very or somewhat likely to play or play more Vermont Lottery games if they knew 100% of all profits go to the Vermont Education Fund. Among players and non-players the percents are 54.6% and 26.4% respectively.
- If the economy improved, 34.8% of all respondents would be very or somewhat likely to play or play more. Among players and non-players, the percents are 48.0% and 23.8% respectively.

- If self-service vending machines were available for ticket purchase, 22.1% (13.2% among current non-players and 32.8% among players), said they would be very or somewhat likely to play or play more.
- If Vermont Lottery games were offered on the internet, 10.5% of all respondents suggested they would be very or somewhat likely to play or play more. Among players and non-players the percents are 14.8% and 7.0%, respectively.
- If Bingo was offered on the internet, 9.2% of all respondents indicated they would be very or somewhat likely to play or play more. Among players and non-players, the percents are 11.5% and 7.3%, respectively.
- And, if Vermont Lottery Poker was offered on the internet, 8.0% of all respondents said they would be very or somewhat likely to play or play more. Among players and non-players, the percents are 10.8% and 5.7% respectively.

ON SOURCES FOR INFORMATION...

- Among players, the most frequently used sources for information about the Vermont Lottery include the Vermont Lottery website, TV advertising, TV news, the internet and stores/gas stations.
- Players reported the best ways to reach them with Lottery news and information included TV advertising, TV news, radio advertising, the internet and stores/gas stations.
- Among players, the percent reported having visited the Vermont Lottery website is up to 49.3% from 32.8% in 2008.
- The large majority of respondents, 86.6%, suggested the reason for the visits were to check winning ticket numbers. This is followed, distantly, by information on games (6.7%), general information (5.8%), Jackpot amounts (5.8%) and drawing information (3.1%).
- The website received positive ratings of 85.3%, 79.8% and 67.4% for having information needed, ease of navigation, and appealing graphics, respectively. Lottery officials should strive to attain and maintain positive ratings in the high eighties. The rating on “graphically appealing” is down to 67.4% from 73.6% in 2008.

Summary of Findings

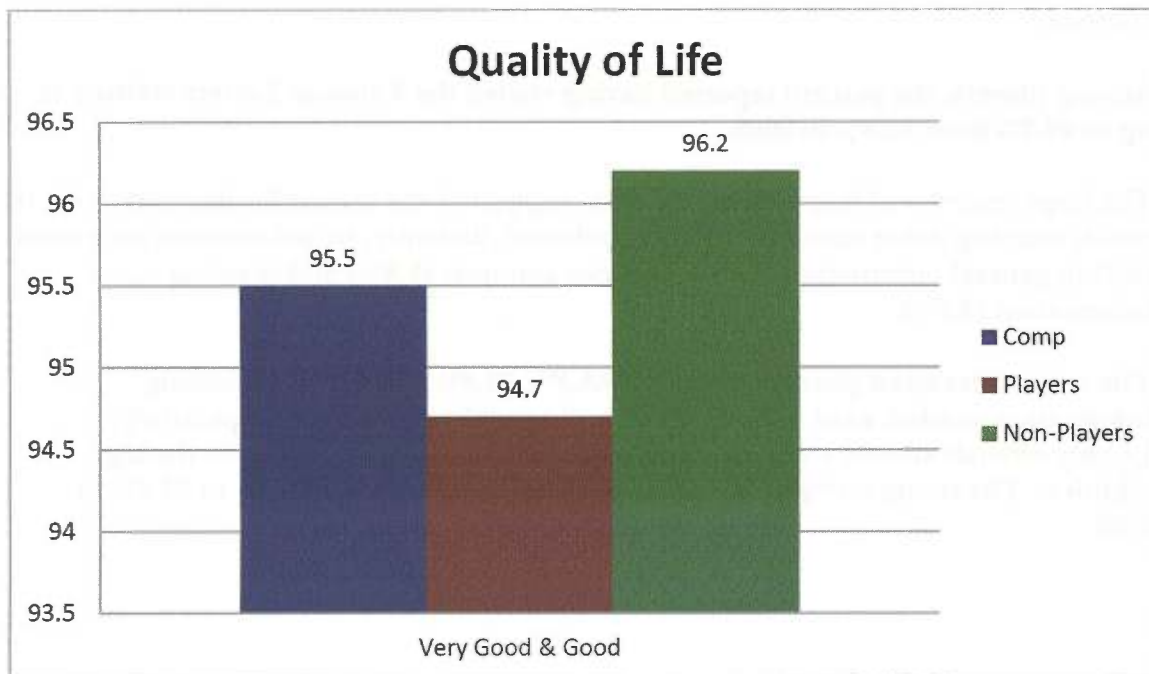
Readers are reminded that the following section summarizes statistics collected from a random-sample telephone survey of 1000 Vermont residents. Where questions were asked of all respondents – those who play the Vermont Lottery and those who do not – results are presented for each along with the composite aggregate data (all 1000 respondents).

As a result of final “player” (454) “non-player” (546) counts, it is estimated that 45.4% of Vermont residents currently play the Vermont Lottery. This is up somewhat from 40.5% recorded in 2008.

Further, where “like” questions were replicated from the 2008 research, these results are also presented for comparison purposes – or tracking.

QUALITY OF LIFE

Impressively, on a composite basis, 95.5% of all respondents described their quality of life in Vermont as very good or good. Just 4.0% suggested it was poor or very poor. The following graph depicts the results collected. In 2008, 93.9% of players and 94.5% of non-players reported their quality of life as very good or good.



Researchers asked all respondents if, compared to two years ago, their current standard of living was better, the same and good, worse or the same and poor. The following graph presents the cumulative totals for better/the same and good and worse/the same and poor. In 2008, 71.5% of players reported their standard of living as “better or the same & good” while 27.6% suggested it was “worse or the same & poor”.



AWARENESS / KNOWLEDGE

All respondents were asked how aware they were of four different aspects of the Vermont Lottery. For each aspect, researchers asked respondents if they were very aware, somewhat aware, somewhat unaware or not at all aware.

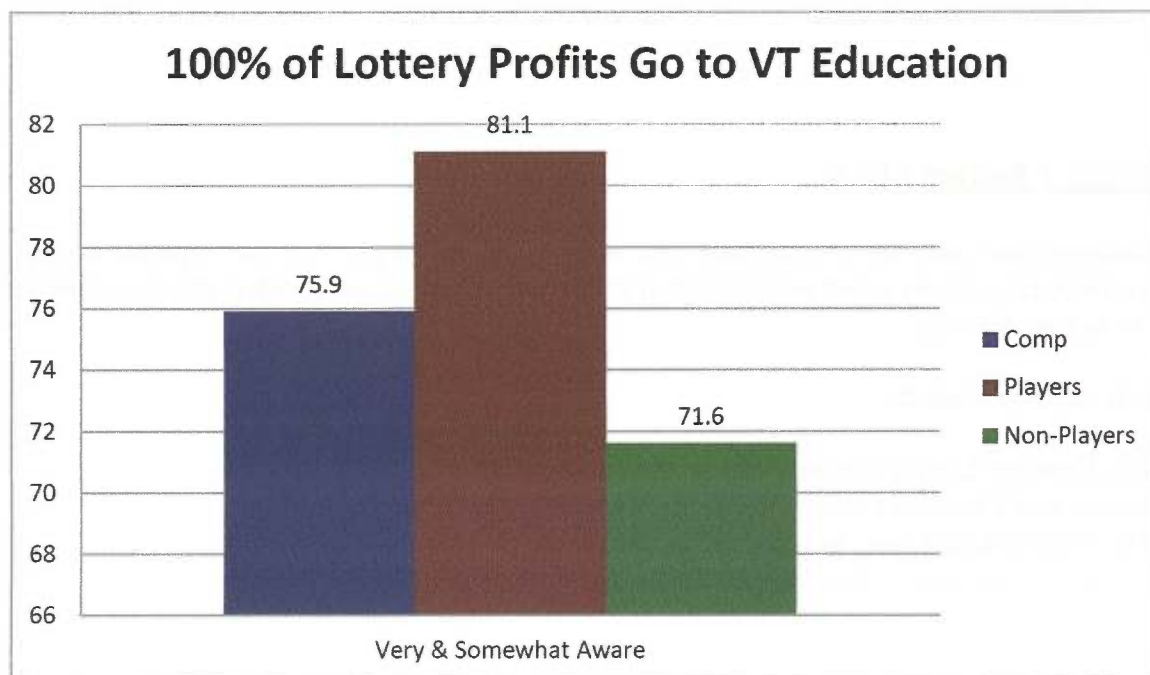
The aspects named included:

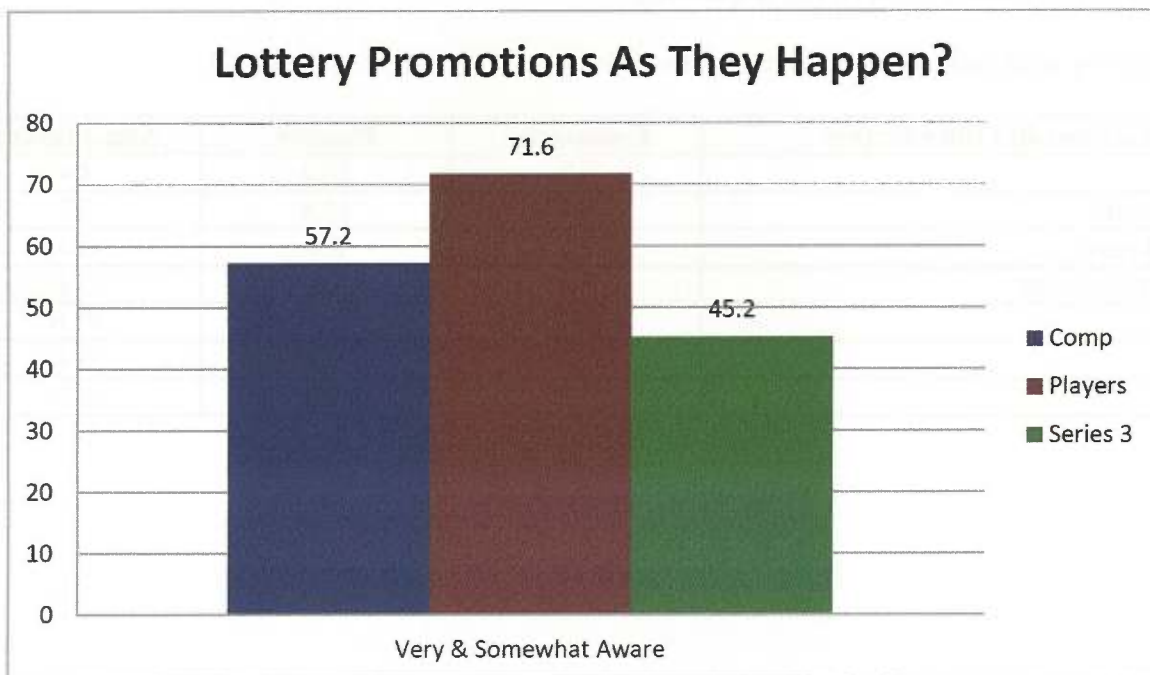
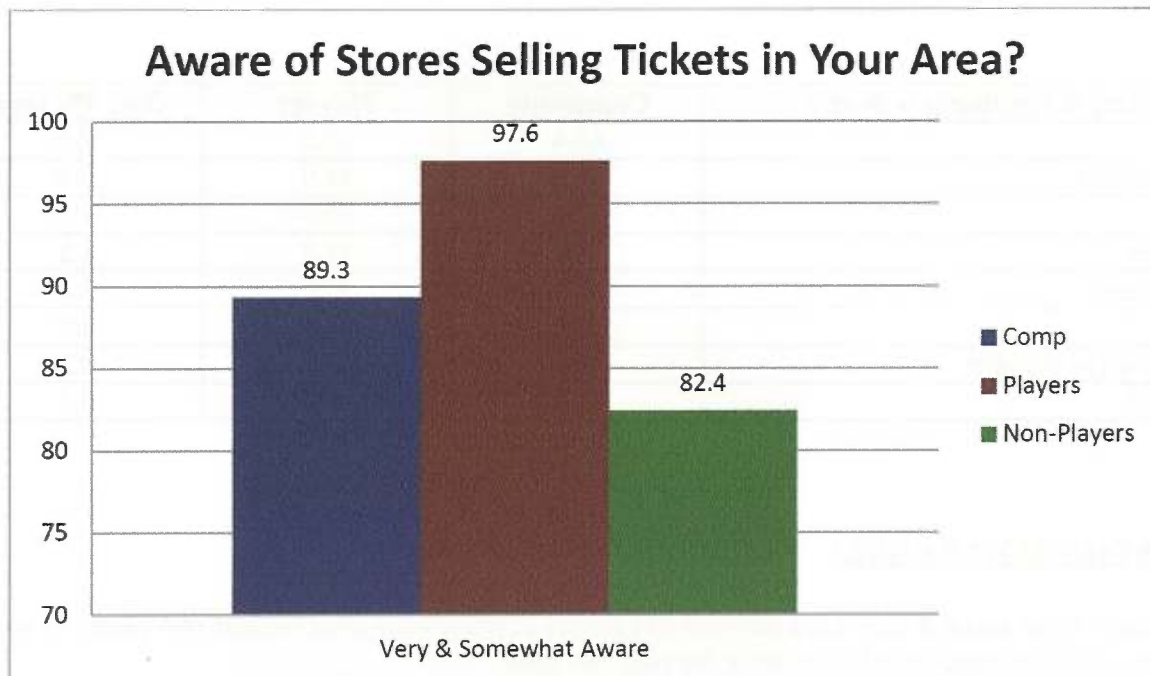
- The Vermont Lottery tagline: “Please play responsibly”;
- 100% of all Vermont Lottery Profits go to education in Vermont;
- The stores selling lottery tickets in your area; and
- Lottery promotions as they happen.

The following graph presents the cumulative totals for those reporting very and somewhat aware.



Note: 96.6% of players in 2008 recalled the tagline "Please Play Responsibly"





Researchers asked all respondents where they see, hear or read Vermont Lottery advertising. The following table presents the results as collected. Multiple responses were allowed and results are in declining order by “players”.

Where Lottery Advertising is Seen?	Composite	Players	Non-Players
Television	62.4	69.2	56.8
Signage at stores	36.8	41.9	32.6
Radio	31.8	33.9	30.0
Newspapers	8.8	11.9	6.2
Signs outdoors	5.0	7.3	3.1
Internet	1.9	3.1	0.9
Vermont Lottery Website	0.6	1.1	0.2
Don't Recall	0.5	0.9	0.2

ENTERTAINMENT VENUES

Respondents were asked if they have traveled to Casinos in other state over the last two years. If so, they were asked the number of times over the past two years.

On a composite basis, 17.3% suggested they do travel to Casinos while the percent was 28.0% and 8.5% among players and non-players, respectively.

The following table presents the results as collected.

Travel to Casinos in Other States?	Composite	Players	Non-Players
Yes, once	7.1	10.4	4.4
Yes, 2 – 5 trips	8.1	13.4	3.7
Yes, 6 – 11 trips	1.1	2.4	0.0
Yes, 12 or more trips	1.0	1.8	0.4
No	82.2	71.6	91.0
Unsure	0.3	0.2	0.4
Refused	0.3	0.2	0.2

Researchers asked respondents to report the primary reason they go to Casinos. Players are twice as likely to travel to Casinos for “gaming” while non-players are significantly more likely to say they travel to Casinos for “Entertainment and Shows”. The following are the results collected.

Primary Reason Travel to Casinos?	Composite	Players	Non-Players
Social aspects	30.1	29.1	32.6
Gaming	35.3	40.2	21.7
Entertainment or shows	30.6	26.8	41.3
Unsure	3.5	3.1	4.3
Refused	0.6	0.8	0.0

The average spending reported on games by respondents for “an average visit” to a Casino is presented here. Researchers asked respondents not to include lodging, meals or other entertainment.

Plan to Spend at Casino on a Trip?	Composite: N=173	Players: N=127	Non-Players: N=46
On Average: Plan to Spend at Casino?	397.30	488.68	134.05

Those that did travel to Casinos were asked to report their favorite games during their visits. The following table holds the results collected. Multiple responses were allowed.

Favorite Games at Casinos	Composite	Players	Non-Players
Slots	56.6	61.4	43.5
Blackjack	29.5	27.6	34.8
KENO	1.2	1.6	---
Poker Slots	5.8	7.9	---
Roulette	9.2	9.4	8.7
Video Slots	5.8	5.5	6.5
Stud Poker	1.7	1.6	2.2
Card Games	4.6	5.5	2.2
Video Poker	2.9	3.1	2.2
Casino Wars	---	---	---
Dice	2.9	3.1	2.2

Respondents were asked, using their best guess, for the amount they spend during an average month on entertainment for such things as restaurants, arts and culture, plays, shows or sport events. The following table presents the results as collected.

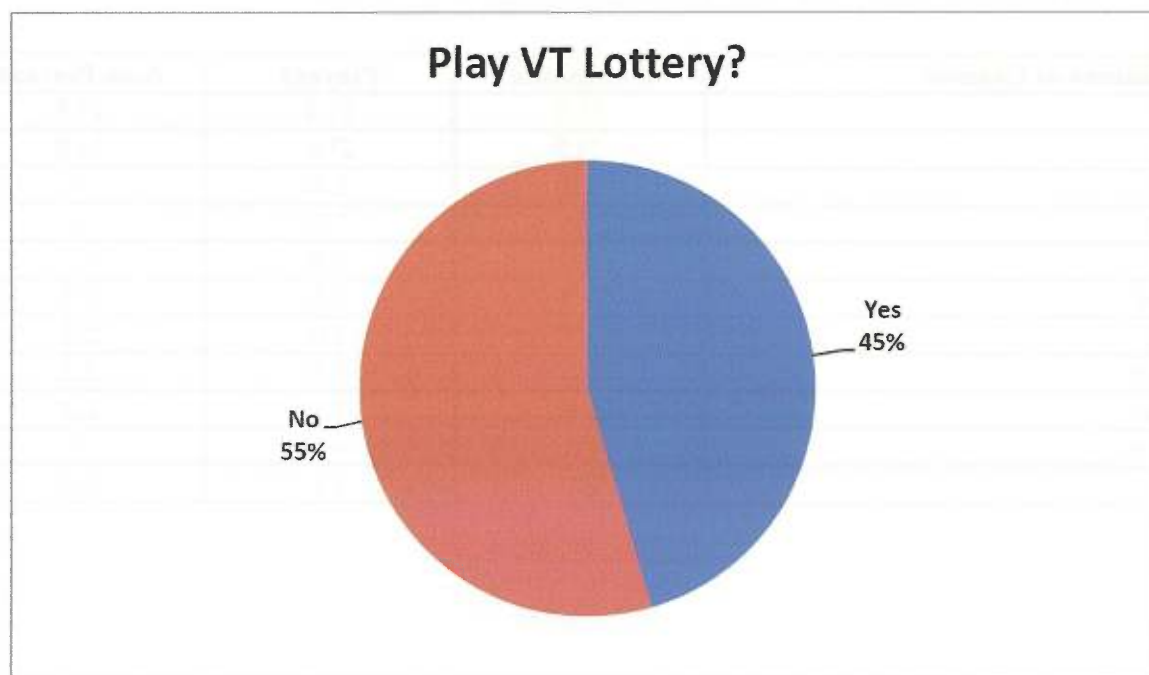
Average Monthly on Entertainment	2008: Players	Composite	Players	Non-Players
Amount on Entertainment Monthly	\$130.88	\$153.76	\$151.98	\$155.27

LOTTERY PLAYING

Respondents were read the following: “The Vermont Lottery offers a number of games such as instant Scratch Off Tickets, Tri-State terminal games such as Megabucks and Powerball. Please tell me if you currently play any of these Vermont Lottery games.”

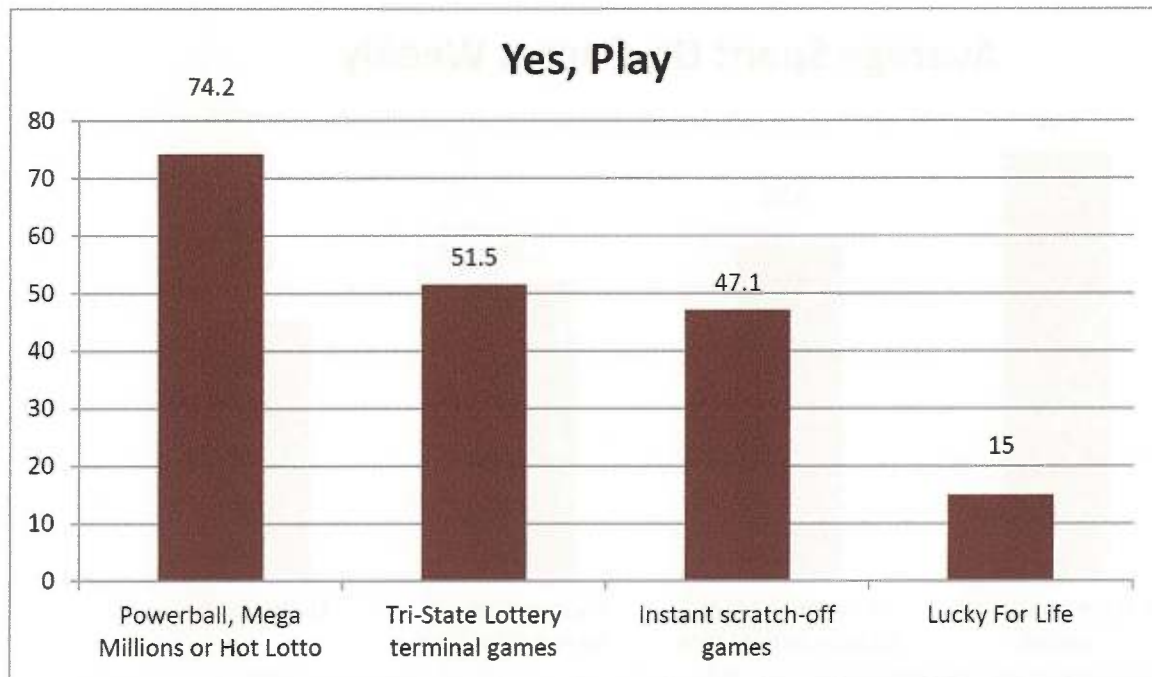
Just over half, 54.6%, indicated they do not currently play Vermont Lottery games while 45.4% suggested they do.

In 2008, 40.5% indicated they do play Vermont Lottery games.



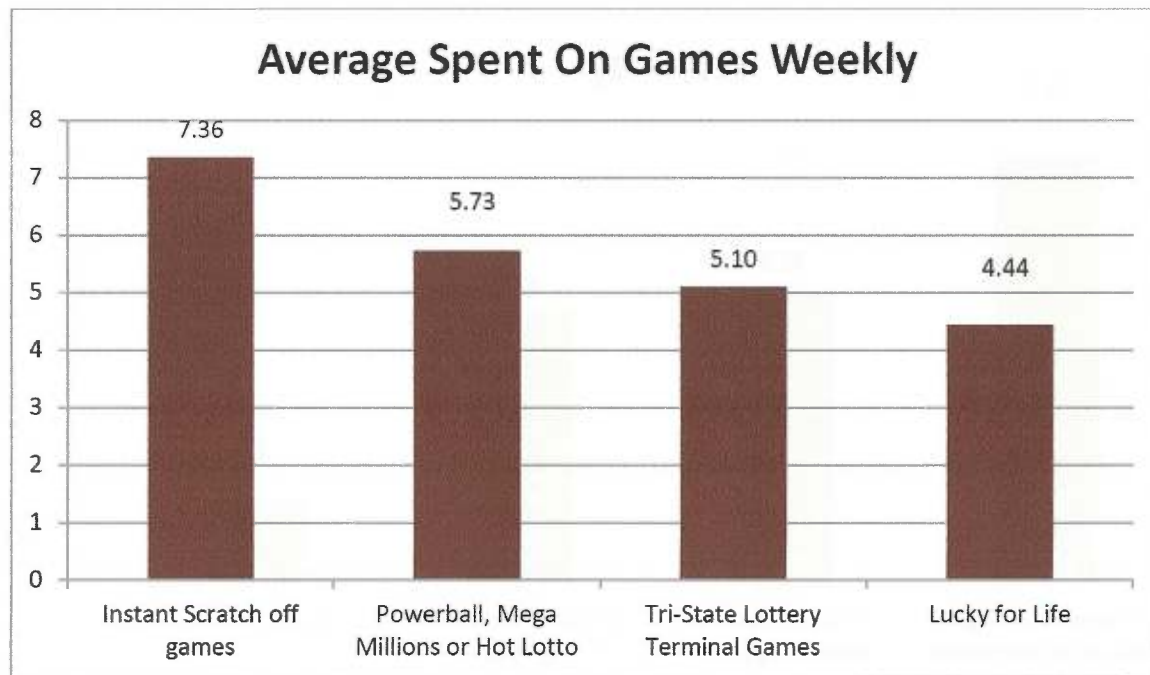
PLAYER HISTORY

Players, only, were asked if they played a number of Vermont Lottery games. The results are shown in the following graph.



In 2008, 60.3% of players reported playing terminal games while 50.8% suggested they play instant scratch-off games.

In a follow-up question, players of these games were asked for the average amount spent on each during a week. The following graph presents these results.



A large majority, 92.5%, of all players rated their “usual” point of purchase outlet for Vermont Lottery tickets as “very convenient”.

All players were asked the dollar amount a Lottery Jackpot needs to be in order to see them playing. The average was \$37 million dollars – up somewhat from \$34.8 million dollars in 2008.

Researchers asked players if they travel to Maine, Massachusetts, New York or New Hampshire to play Lottery games. While 75.8% suggested they did not, 24.2% suggested they do. The following table presents the results collected.

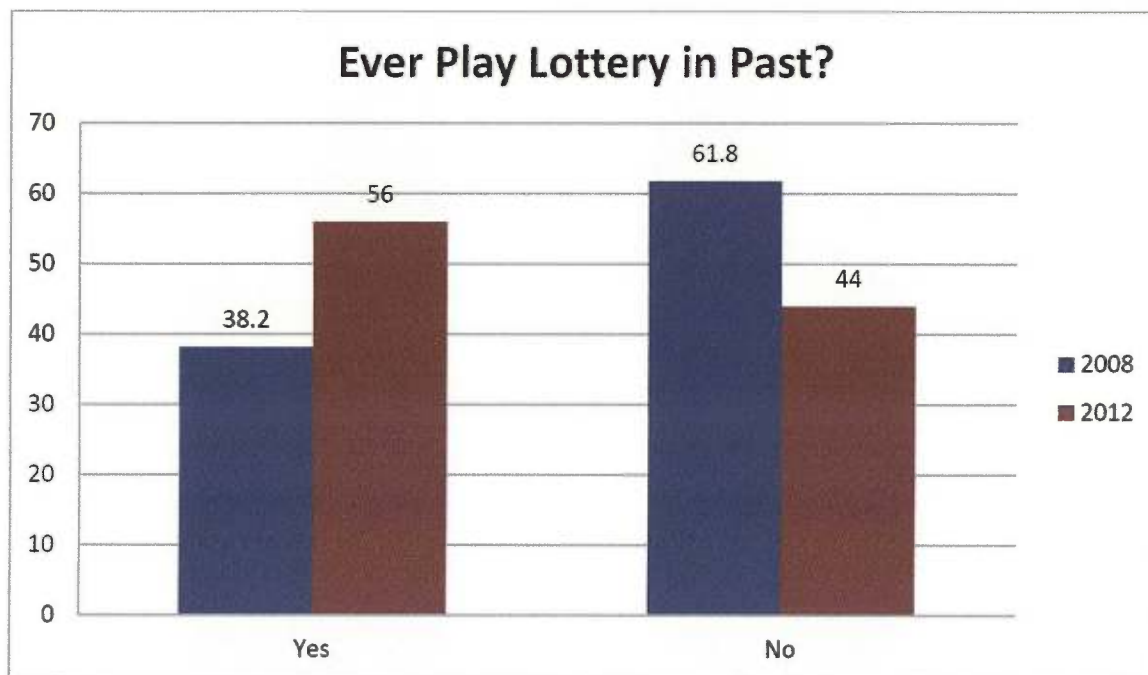
Play Lottery in Neighboring States?	Players
No	75.8
Yes, New Hampshire	13.2
Yes, New York	9.0
Yes, Maine	7.7
Yes, Massachusetts	6.4

Those respondents who do travel to other states to play Lottery games (24.2%) were asked which games they play. The following table presents the results.

Lottery Games Played in Neighboring States	Players
Instant Scratch Games	40.6
Powerball	28.7
Mega Millions	24.8
Megabucks Plus	9.9
Unsure	8.9
KENO	5.0
Megabucks Doubler	4.0
Hot Lotto	1.0
Pick 3	1.0
Pick 4	1.0
Take 5	1.0
The Numbers Game	1.0

NON-PLAYER HISTORY

Those reporting they do not currently play the Vermont Lottery (54.6%) were asked if they have ever played the Lottery in the past. Over half of all current non-players (56.0%) indicated they have played Lottery in the past. In 2008, 38.2% of non-players suggested they had played in the past.



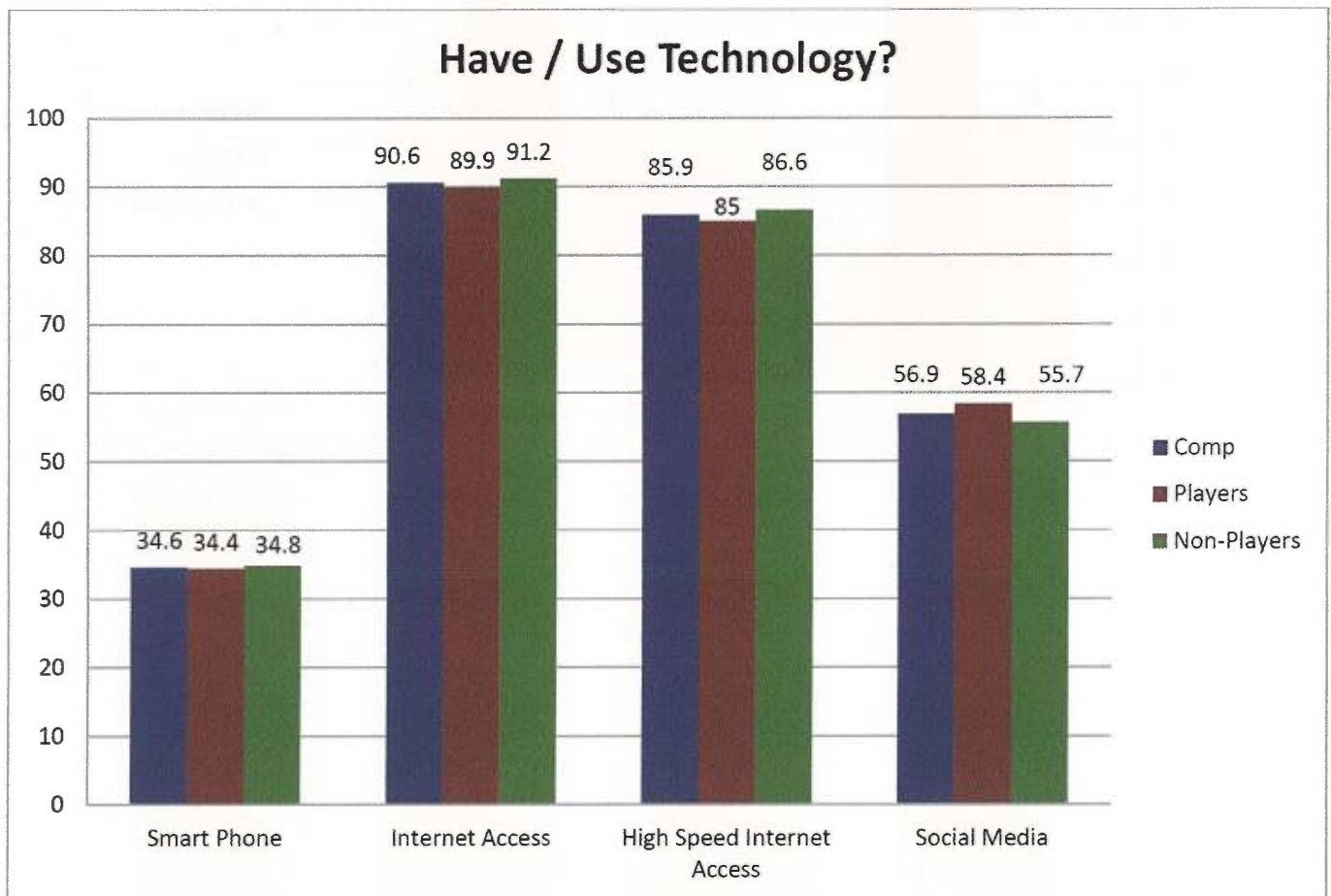
All non-players were asked, in an open-end format question, to report the reasons why they no longer play the Vermont Lottery. The following table presents 2012 and 2008 results.

Why you no longer play the Vermont Lottery?	2008 Non-Players	2012 Non-Players
Chance of winning is unlikely	10.1	22.9
It's a waste of money	12.0	19.3
Do not have the extra money/can't afford/afraid to lose money/fixed income	10.5	19.3
Just not interested	26.2	19.0
Just don't think about it/forget to play/too busy/not a priority	7.0	8.2
Other	3.5	6.5
Do not believe in gambling	13.6	5.6
Don't know/unsure	0.9	5.6
Never won	5.1	3.6
Do not want to get addicted/spend too much money on it	4.1	2.0
Too much hassle	0.6	2.0
Use extra money for other things	3.1	1.3
Lottery is fixed or rigged	2.0	1.0
Don't know where proceeds go	0.6	0.7
Play Lottery in other states	0.6	0.3
Local store does not sell		0.3

TECHNOLOGY

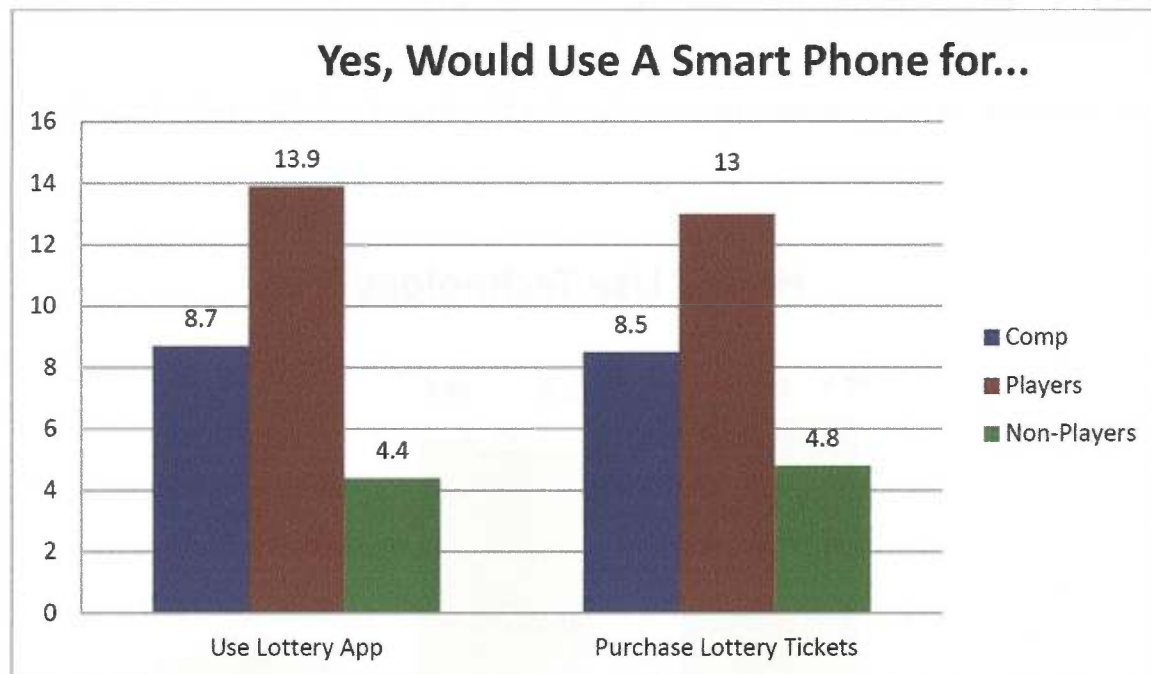
Researchers asked all respondents if they have and use a smart phone, internet access, high speed internet, and social media.

Results are presented on a composite basis as well as for players and non-players in the following graph.



Note: In 2008, 75.5% of players surveyed reported having high speed internet access while 20.3% indicated they had “dial-up”.

All respondents were asked if they would use their current or a new smart phone (someday) to access a Vermont Lottery App or purchase Vermont Lottery tickets. The following graph shows players as more likely than non-players to adopt each.



THE MARKET

Researchers asked all respondents if they were very likely, somewhat likely, somewhat unlikely or not at all likely to play the Vermont Lottery or play the Vermont Lottery more frequently under various scenarios. The follow table presents the scenarios and the cumulative totals for those suggesting they would be very or somewhat likely in each case.

Results are presented on a composite basis as well as among players and non-players. Results are presented in declining order by composite data. In 2008, 29.7% of players reported they would be very or somewhat likely to play the Lottery more if the economy improved.

Characteristic	Comp	Players	Non-Players
You knew that 100% of Vermont Lottery ticket profits go to the Vermont Education Fund	39.2	54.6	26.4
If the economy improved	34.8	48.0	23.8
Self-service vending machines were available to purchase tickets	22.1	32.8	13.2
Vermont Lottery Games were offered on the internet	10.5	14.8	7.0
If Vermont Lottery Bingo was offered on the internet	9.2	11.5	7.3
If Vermont Lottery Poker was offered on the internet	8.0	10.8	5.7

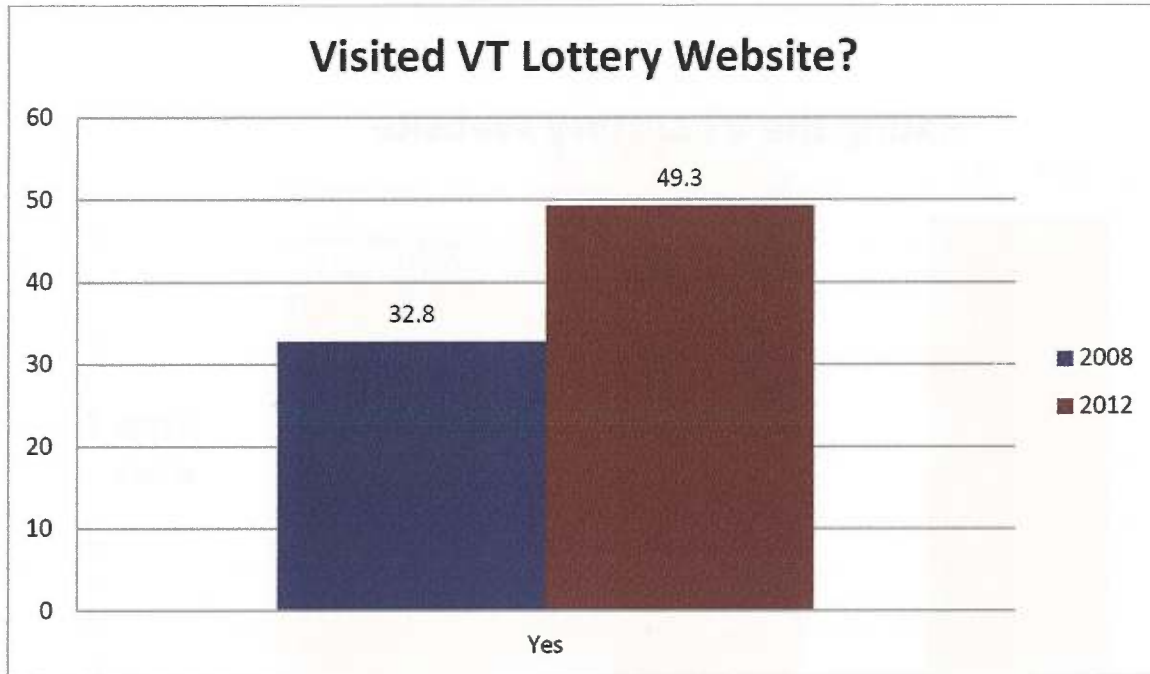
SOURCES FOR INFORMATION

Players, only, were asked two questions about sources for information. In the first, players were asked where they go for information on Vermont Lottery tickets, games, updates, and communication. In a second question, researchers asked player respondents for the “best way” for the Vermont Lottery Commission to reach them and their neighbors/friends with Lottery information.

Results from 2008 are also presented within the following table. Results are presented in declining order by 2012 “Best Way to Reach You”.

Sources for Information (Players)	2008 Go for Information	2012 Go for Information	2008 Best Way to Reach You	2012 Best Way to Reach You
TV Advertising	26.9	11.2	44.4	32.2
TV News	11.7	11.7	20.8	24.9
Radio Advertising	6.7	4.0	13.6	17.8
Internet	13.8	21.4	8.7	12.1
Stores / Gas Stations	29.3	28.2	12.6	11.5
Radio News	2.2	3.3	6.1	11.0
Newspaper Ads	12.7	3.7	19.7	8.6
Email	0.2	---	0.2	5.1
Newspaper Stories	5.6	2.9	8.2	3.5
VT Lottery Website	4.6	20.5	2.1	3.5
Other	---	2.4	---	2.4
Brochures	1.0	0.7	2.6	2.0
Newspaper inserts	3.6	0.4	5.8	0.9
Friends/Neighbors/Relatives	2.6	3.1	1.5	0.4
Government Agency	0.1	0.4	---	0.2
Powerball / Mega Millions Website	1.9	1.1	0.6	0.2
Co-workers	0.2	1.1	0.1	---
Employer/School	0.2	0.4	0.2	---

Players were asked if they have ever visited the Vermont Lottery website. Just under half, 49.3%, suggested they have visited the site. Results for 2008 and 2012 are presented here.

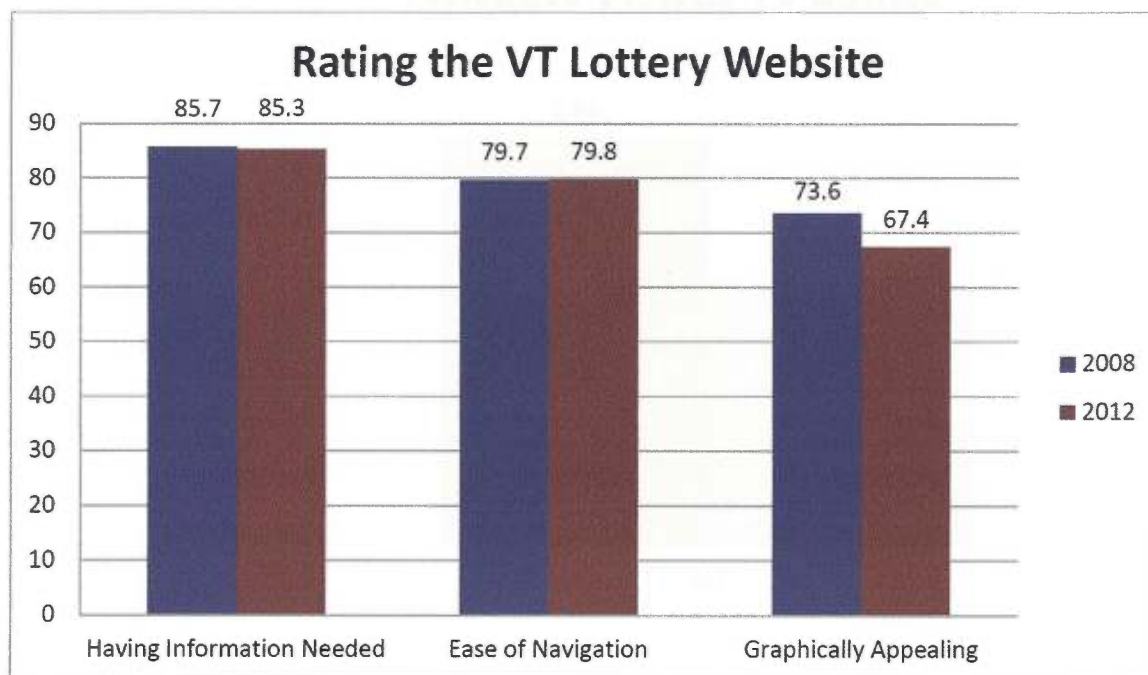


Players who visited the Vermont Lottery website (49.3%) were asked to report the reasons for their visits. Multiple responses were allowed.

Results are presented here.

Reasons for Visits to the Vermont Lottery Website	2012 Players
Winning ticket numbers	86.6
Information on games	6.7
General information	5.8
Jackpot amounts	5.8
Drawing information	3.1
Ticket sale locations	0.4
Office locations	0.4
Problem gambling information	0.4
Unsure	0.4
Phone numbers	---

Those players who visited the Vermont Lottery website were asked to rate the site on three characteristics using a scale of one to ten where one was very poor and ten was very good. The following graph presents the cumulative total positive ratings of seven through ten.



DEMOGRAPHICS

Years living in Vermont	2008 Players	2012 Composite	2012 Players	2012 Non-Players
Average	42.50	43.64	45.42	42.17

Age	2008 Players	2012 Composite	2012 Players	2012 Non-Players
Average	54.80	48.90	49.48	48.42

Education	Players (N=809)	2012 Composite	2012 Players	2012 Non-Players
Eighth grade or less	1.1%	0.9	1.1	0.7
Some high school	3.7	2.4	1.3	1.6
High school graduate	32.3	25.6	28.4	18.9
Some technical school	1.2	1.9	2.4	1.5
Technical school graduate	2.0	2.5	3.1	2.0
Some college	19.0	16.2	19.2	13.7
College graduate	25.8	27.3	24.2	29.9
Post graduate or professional degree	10.8	25.5	19.6	30.4
Refused	3.5	1.0	0.7	1.3
Don't know/unsure	0.6	---	---	---

Total family income before taxes	2008 Players	2012 Composite w/out RF	2012 Composite	2012 Players	2012 Non-Players
Less than \$19,999	12.2%	9.0	7.1	8.4	6.0
\$20,000 < \$35,000	14.8	10.4	8.2	6.8	9.3
\$35,000 < \$50,000	23.1	14.2	11.2	13.4	9.3
\$50,000 < \$65,000	14.6	11.8	9.3	9.7	9.0
\$65,000 < \$80,000	15.6	15.6	12.3	13.4	11.4
\$80,000 < \$95,000	7.1	10.4	8.2	9.5	7.1
\$95,000 or more	12.6	25.1	19.8	17.2	22.0

Gender	2008: Players	2012 Composite
Male	45.4	48.2
Female	54.5	51.8

5 APPENDIX

INTERPRETATION OF AGGREGATE RESULTS

The computer processed data for this survey is presented in the following frequency distributions. It is important to note that the wordings of the variable labels and value labels in the computer-processed data are largely abbreviated descriptions of the Questionnaire items and available response categories.

The frequency distributions include the category or response for the question items. Responses deemed not appropriate for classification have been grouped together under the “Other” code.

The “NA” category label refers to “No Answer” or “Not Applicable.” This code is also used to classify ambiguous responses. In addition, the “DK/RF” category includes those respondents who did not know their answer to a question or declined to answer it. In many of the tables, a group of responses may be tagged as “Missing” – occasionally, certain individual’s responses may not be required to specific questions and, thus, are excluded. Although, when this category of response is used, the computations of percentages are presented in two (2) ways in the frequency distributions: 1) with their inclusion (as a proportion of the total sample), and 2) their exclusion (as a proportion of a sample sub-group).

Each frequency distribution includes the absolute observed occurrence of each response (i.e. the total number of cases in each category). Immediately adjacent to the right of the column of absolute frequencies is the column of relative frequencies. These are the percentages of cases falling in each category response, including those cases designated as missing data. To the right of the relative frequency column is the adjusted frequency distribution column that contains the relative frequencies based on the legitimate (i.e. non-missing) cases. That is, the total base for the adjusted frequency distribution excludes the missing data. For many Questionnaire items, the relative frequencies and the adjusted frequencies will be nearly the same. However, some items that elicit a sizable number of missing data will produce quite substantial percentage differences between the two columns of frequencies. The meticulous analyst will cautiously consider both distributions.

The last column of data within the frequency distribution is the cumulative frequency distribution (Cum Freq.). This column is simply an adjusted frequency distribution of the sum of all previous categories of response and the current category of response. Its primary usefulness is to gauge some ordered or ranked meaning.



State of Vermont
Department of Finance & Management
109 State Street, Pavilion Building
Montpelier, VT 05620-0401

Agency of Administration

[phone] 802-828-2376
[fax] 802-828-2428

SPO 2646

STATE OF VERMONT FINANCE & MANAGEMENT GRANT REVIEW FORM

Grant Summary:		This grant will enable Windham County to implement a domestic violence docket that provides enhanced services to victims of domestic violence through the "one family, one judge" model. In this model a single judge hears related cases, providing for more informed decision making.			
Date:		10/17/2013			
Department:		The Vermont Judiciary, Court Administrator's Office			
Legal Title of Grant:		OVW FY13 Court Training and Improvements Program Violence Against Women Act Court Training Program			
Federal Catalog #:		CFDA#16.013			
Grant/Donor Name and Address:		Office on Violence Against Women, US Dept of Justice, 950 Pennsylvania Avenue, NW Washington, DC 20530-0001			
Grant Period:		From: 10/1/2013 To: 9/30/2015			
Grant/Donation		\$300,000			
	SFY 1	SFY 2	SFY 3	Total	Comments
Grant Amount:	\$77,647	\$150,515	\$71,838	\$300,000	
Position Information:		# Positions	Explanation/Comments		
		1	Windham County IDVD Resource Coordinator		
Additional Comments:					
Has Vantage budget detail been reviewed and reconciled? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No He (Analyst Initial)					
Department of Finance & Management		10/17/13		(Initial)	
Secretary of Administration		10/21/13		(Initial)	
Sent To Joint Fiscal Office		10/24/13		Date	



BENNINGTON CRIMINAL AND FAMILY DIVISIONS
DOMESTIC VIOLENCE DOCKET
SUMMARY OF PROCEDURES IN PLACE – MARCH 2012
Prepared by: Mary Frost, Clerk and Hon. David A. Howard, Presiding Judge

Since the State has pulled out of the IDV Docket in this Court, we have continued to implement the various new procedures we put into place with the IDVD Court. We will outline what we continue to do to streamline the process, protect victims and provide services to alleged offenders.

1. We provide a written summary of what the victim needs to know when preparing a complaint and affidavit for a relief from abuse order.
2. We provide assistance to the plaintiffs for service of the Temporary Orders or the Notice of Hearing in a denial if the plaintiff wishes to go forward.
3. We provide both plaintiff and defendant with the state-wide information sheet about what to expect at the final hearing.
4. We pull all files we have in the criminal and family divisions (both active and disposed) relating to the parties to the matter to give to the judge.
5. Our Criminal Division Judge hears all RFA cases and all related criminal cases, although our Family Division Judge will review the initial request for relief.
6. Criminal and Family Division Judges work together to set cases in an expedited manner if a case needs to be sent over to Family Court for further hearing in the domestic case or if the RFA hearing needs extended hearing time for the RFA in conjunction with the domestic case.
7. John Lamson, Esq., from Have Justice Will Travel is present on almost all RFA hearing days to consult with plaintiffs if they want legal advice.
8. An attorney from the public defender's office will be present on most RFA hearing days to consult with defendants who have been charged criminally.
9. Representatives from PAVE (Project Against Violence Encounters) are always present at all RFA days to assist victims.
10. We copy the complaint, affidavit and temporary order, as well as the schedule, for the attorney from Have Justice Will Travel for the plaintiffs and for the Public Defender who will be present in the event a defendant is charged criminally.
11. We show the state-wide educational video about the RFA process to both plaintiffs and defendants in different courtrooms.
12. We provide extra security on RFA mornings. We have 2 officers at the front scanner, one rover, and two court officers (one assigned to plaintiffs and one to defendants). We notice defendants to arrive for their hearing at 8:00 a.m. and the plaintiffs to arrive at 8:30 a.m. to prevent incidental contact. The security staff is in constant radio contact when one of the parties leaves the designated courtroom to keep track of folks so they don't accidentally bump into each other in the hallway or outside smoking a cigarette.
13. Our docket clerk responsible for the RFA docket prepares partial Final Orders before the hearings and records that day with the judge. She listens to the hearing and what the judge orders and issues a Final Order at the time of the hearing for the Judge to review and sign. We have a printer in the Courtroom, so the judge will sign it immediately. The plaintiff is given a copy and told to leave the premises. The front-door security staff will radio back when the plaintiff has left the parking area and then we serve the defendant with the order and send him/her on their way.

14. The very strict Domestic Violence Conditions of Probation are still being used in most domestic violence cases.
15. We have devoted all Thursdays to dealing with domestic violence cases, with RFA hearings in the morning and all other types of criminal cases in the afternoon.
16. We have also reserved one Thursday a month for a domestic violence trial, although it does not always work that way, depending on the age of cases ready for trial.
17. The Court continues to work cooperatively with our PAVE representatives in connection with domestic violence cases, such as:
 - a. We partnered in setting up a training with all LEO in the county for May. The Judges will be presenting what the court can and cannot do in RFA and Stalking cases; the Clerk will talk about what After-Hours Workers are permitted to do; PAVE will talk about what they can help victims with and a representative from LEO will talk about the importance of serving these orders in a timely manner.
 - b. The Clerk attends the DV/Sexual Assault Task Force, which meets once a month to talk about issues in our community surrounding these topics and how we can provide a consolidated effort.
 - c. The Clerk and a representative from PAVE met with the newly appointed Manchester Chief of Police to talk about the RFA process and provide information and forms for their use.
18. We provide a copy of the state-wide information sheet to plaintiff and defendant if a Final Order is issued.

If you have any questions about what is being done, please feel free to contact Mary Frost, Clerk, at mary.frost@state.vt.us or 802-447-2751.

PROCEDURAL FAIRNESS, SWIFT AND CERTAIN SANCTIONS: Integrating the Domestic Violence Docket

Hon. David Suntag

Vermont Superior Court Judge

What might happen if a court system integrated into one docket, before one judge, related criminal, family, and protective order cases of domestic violence; institutionalized principles of procedural fairness; consistently applied swift and certain sanctions for offenders; front-loaded needed rehabilitative services; and tried to do it on the cheap? The results are in.

The Vermont Center for Justice Research (2011) evaluated just such an innovative, three-year (2007-10) integrated domestic violence docket (IDVD) court program in Bennington, Vermont. Their report demonstrated that the IDVD program substantially decreased criminal recidivism when measured against statewide data of similar offenders in the traditional justice system. A new process evaluation from the Vermont Center for Justice Research (2013) has identified the critical components for the program's success.

The original outcome evaluation provided strong support for the IDVD concept. There was a 38 percent reduction in recidivism for new violent crimes and a 42 percent reduction in recidivism for new crimes of domestic violence for those convicted and supervised in the IDVD program, as opposed to those similar offenders in the traditional criminal justice process statewide over a three-year period (Vermont Center for Justice Research, 2011: 6).

Even more significantly, there was a 54 percent reduction in recidivism for any type of new crime for IDVD participants as opposed to domestic violence offenders statewide (Vermont Center for Justice Research, 2011: 8).

There was a 42 percent reduction in recidivism for new crimes of domestic violence ... [and] a 54 percent reduction in recidivism for any type of new crime.... [A]t the same time IDVD was significantly reducing recidivism, we did so by actually significantly reducing the use of incarceration.

TREND

Applying "procedural fairness" to the justice system and "swift and certain sanctions" to the criminal justice system have been gaining increased attention. One innovative court in Vermont chose to apply both to an integrated domestic violence docket and had significant success, including a substantial reduction in recidivism.

program allows a single judge, one day each week, to have immediate access to all relevant information regardless of the traditional docket and to gather all appropriate players at the table regardless of any traditionally limited roles.

IDVD CASE STUDY—HOW IT WORKS

A husband, after being assigned counsel, was arraigned, pleaded not guilty, and was released on appropriate bail conditions for a criminal charge of misdemeanor domestic assault allegedly committed against his wife in the presence of their child approximately 48 hours earlier. His wife, who also had a free attorney, received without opposition by husband, on the same day in the same courtroom, a family court DV protection order with conditions that paralleled defendant's bail conditions. The mother was also given a family court order awarding her temporary custody of her child, but with an agreed-upon and enforceable supervised visitation provision for the father.

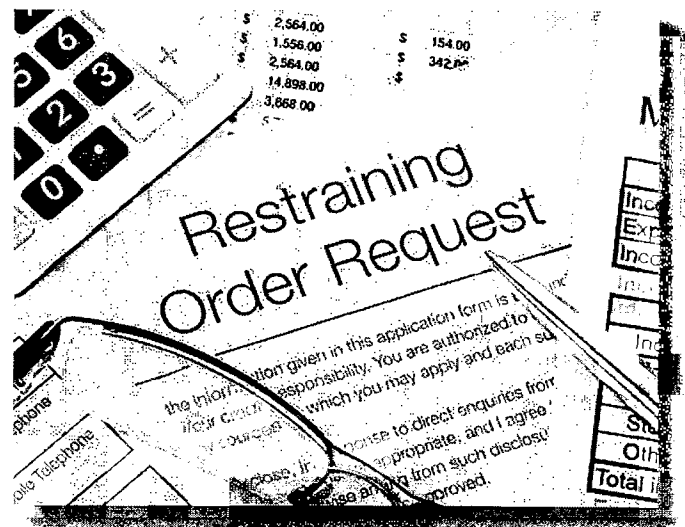
The husband agreed to undergo an expedited assessment by a community mental-health provider for mental-health-and-substance issues, as well as attend an initial intake with the provider of a batterer's intervention program (BIP), all within the week. (The husband, with state's attorney agreement, was assured that no statements made at these sessions could be used against him should the criminal case not resolve without trial.) Appointments for the assessments, as well as intake appointments for each parent at the supervised visitation center, were scheduled by the coordinator from the court before the parents left the courthouse. A temporary family court order of support was issued to provide financial support to the wife and family until the next court appearance. The mother was also referred to a support group available at little cost for parents who have been subject to domestic violence. Although both parents indicated they did not wish to permanently separate or divorce at that time, both were handed an information packet with easily understood instructions to use if they changed their minds.

One week later, both parents returned to court, and the judge reviewed the recommendations contained in the assessment reports from the mental-health counselor and BIP director. The defendant, during a detailed colloquy with the judge in open court after consultation with counsel, pleaded guilty to the charge and clearly acknowledged responsibility and regret in the presence of his wife and other family members during his guilty-plea hearing. He was placed on probation with conditions designed to address

Procedural Fairness Principles: Voluntary compliance with court orders significantly increases when court users feel that:

- They were treated with respect
- They had an opportunity to tell their story
- They understood what was going on
- The judge was trying to be fair

Adapted from Tyler, 1990.



An attorney from "Have Justice Will Travel" provided free legal representation to plaintiffs in IDVD protective order hearings, while the public defender offered free legal advice to the defendants.

If a violation did occur, the offender was immediately returned to the IDVD judge, lost the benefit of the deferred sentence, and was then subject to whatever sentence was deemed appropriate at that time.

Guilty Pleas Only. IDVD required that if a defendant was prepared to take responsibility in criminal court for abusive behavior he or she had actually committed, guilty pleas only would be accepted. "No Contest" pleas (where the defendant acknowledges only that there is sufficient evidence to convict) or *Alford* pleas (where the defendant continues to fully deny responsibility while still "accepting" a conviction) were not accepted in IDVD. That is, only those offenders who were willing and able to accurately acknowledge their guilt and responsibility for the charged abusive criminal behavior were permitted to pursue an IDVD resolution. The value of prohibiting nolo or *Alford* pleas has been discussed in great detail by many a scholar (see, for example, Bibas, 2003). Dr. Phillip Stahl, national expert on child custody and domestic violence, in a discussion with the author in 2012, makes the point simply: "Until someone takes responsibility for his actions, he can never change for the better. Taking a plea of no contest avoids responsibility and allows the abuser to blame others." Defendants who would not do so for any reason were simply returned to the traditional criminal docket for trial, where all rights were fully protected.

Plea Hearing and Procedural Fairness. The hearing at which a guilty plea was offered and sentence imposed or deferred took on a level of attention and importance that can be lost in the daily administration of a busy criminal docket. A detailed colloquy between the judge and defendant was undertaken, whereby the defendant discussed and acknowledged the facts which underlay the crime being pled. Often the victim of the offense would be present, because the related protective order or family court case would be on the same docket. There was direct communication between the judge and defendant, often heard by the victim and other family members, concerning the importance of attending to the issues that brought the defendant to the court, especially relating to the well-being of their children. The defendant was encouraged to engage in that discussion.

The judge attempted to avoid condemnation, to encourage and hear the defendant's point of view, and then offer alternatives to prior abusive behavior patterns, which led to current problems. Further, the judge explained the critical components of the probation supervision, including any restrictions on contact with the victim (taking into account the victim's requests and desires), explained clearly the consequences of any violation of probation conditions, and tried to encourage and respond to any questions from the defendant or victim to ensure as full an understanding as possible under the circumstances.

Robert Boag, Jr.

rehabilitative goals, as well as swift arrest and enforcement should they violate any, even minor, probation conditions. The probation officers agreed to carry out a stricter level of supervision in keeping with the overall policy of the IDVD program and did so.

Institutionalized support for swift action by the probation officer (who was authorized to arrest and lodge probationers upon probable cause to believe any probation violation had been committed) allowed for similarly swift action by the court when dealing with violations of probation. The judge then carefully reviewed the purpose and meaning of the conditions of probation with the probationer once again and offered continued support for the defendant in pursuing a future violation-free lifestyle, while reminding the defendant again of the immediacy of sanction should further violations occur "just like what happened to you this weekend." Most often, unless the circumstances or probationer's attitude warranted different treatment or the violation involved further violence, the probationer was then returned to probation, rather than incarcerating the offender for a more significant period. Enforcement and respect were thereby joined in one process.

The data, we believe, support the efficacy of this combination of procedural fairness and swift and certain sanctions. The result is that at the same time IDVD was significantly reducing recidivism, we did so by actually significantly reducing the use of incarceration. "IDVD participants were significantly less likely to be sentenced to incarceration ... (and when sentenced to incarceration) significantly less likely to receive a maximum sentence" (Vermont Center for Justice Research, 2011: 26).

Describing all components of the IDVD project would require a great deal more space than available in this article. I have attempted to focus, therefore, on the most innovative mix of ingredients that made the IDVD project unique, in my experience: integrating related cases from traditionally separate dockets; accelerating the process for those ready to do so; institutionalizing the principles of procedural fairness even during plea hearings, which have become in many ways the most critical part of the modern criminal justice system; and then consistently applying swift, certain, and clear but generally short jail sanctions for those who violate resulting orders. This combination of philosophies and practices drew on those who pioneered the concepts.

As for myself, after 23 years on the family and criminal court trial bench experiencing the frustration and helplessness of watching the traditional court system deal inadequately with so many of those affected by domestic violence, the IDVD program provided new hope and energy.

REFERENCES

Bibas, S. (2003). "Harmonizing Substantive-Criminal-Law Values and Criminal Procedure: The Case of *Alford* and *Nolo Contendere* Pleas," 88 *Cornell Law Review* 1361

Tyler, T. (1990). *Why People Obey the Law*. New Haven, CT: Yale University Press.

Vermont Center for Justice Research (2013). "Bennington County Integrated Domestic Violence Docket Project: Process Evaluation." Northfield Falls, Vt., February. <http://www.vcjr.org/reports/reportscrimjust/reports/idvdprocesseval.html>

— (2011). "Bennington County Integrated Domestic Violence Docket Project: Outcome Evaluation." Northfield Falls, Vt., December. http://www.vcjr.org/reports/reportscrimjust/reports/idvdreport_files/IDVD%20Final%20Report.pdf

**Report to
The Vermont Legislature**

**Report on
Agency of Human Services Housing Inventory
and State-Funded Rental Subsidy Programs**

In Accordance with H.530, § E.300(c): An act relating to making appropriations for the support of government; Housing Subsidy; Agency Evaluation

Submitted to: Joint Fiscal Committee; House Committee on Human Services; House Committee on General, Housing and Military Affairs; Senate Committee on Health and Welfare; Senate Committee on Economic Development, Housing and General Affairs.

Submitted by: Douglas A. Racine, Secretary, AHS

Prepared by: Angus Chaney, Director of Housing, AHS

Report Date: November 15, 2013



TABLE OF CONTENTS

<u>Contents</u>	<u>Page Number</u>
Executive Summary	3
Introduction : Outcome, Population-Level Indicator, Strategies	5
Activities, Programs, Performance Measures	6
Updates and revisions to the AHS Housing Inventory	8
State-funded subsidy program in AHS:	9
- Descriptions, Eligibility, Expected Outcomes, Possible Overlaps, Linkages	10
- Chart comparing Duration, Capacity, Spending Trends	13
Findings	14
Recommendations	15
- Appendix A: <i>2014 AHS Housing Inventory</i>	
- Appendix B: <i>Detail of AHS Subsidy Programs</i>	

Executive Summary

Reason for this report:

The 2013 legislature directed the Agency of Human Services (AHS) to continue developing its Housing Inventory document as a tool to: support systematic review of the State's spending on all housing subsidies funded in whole or in part by the general fund; evaluate eligibility criteria, duration of assistance, and expected outcomes for those receiving support; and evaluate possible overlaps in programming. The legislature further directed the Agency of Human Services to include recommendations to maximize the State's investment of funds and other supports that enhance the ability of Vermonters to achieve stability and independence in their living arrangements.

Summary Findings:

To support the outcome of Vermonters having stable, safe, affordable housing, and reduce the rate of homelessness, the agency supports a variety of activities providing support along a continuum from homelessness to permanent, affordable housing. Regardless of department, division, or population served, these activities can be categorized into seven strategies, described on page 5 of this report.

Programs with a refined approach to targeting, incorporating threshold eligibility and prioritization, are better able to manage resources and match the duration of subsidy or intensity of services to their clients' financial and service needs.

Programs with strong performance measures find that in most cases they are attainable and that when they are not, they are useful in identifying areas for additional technical assistance from the State, peer-to-peer support from high performers, or a new approach.

Some programs may not be operating to their full potential if staffing patterns do not support adequate monitoring or working with grantees on continuous improvement.

There may be opportunities to realize greater administrative efficiency by consolidating programs that provide highly similar services using highly similar eligibility criteria.

Shelter and subsidy programs perform better where there is capacity for dedicated case management and services. The agency has recently invested in models that combine on-site case management with the shelter or housing component.

Summary Recommendations:

AHS should continue to promote a Results-Based Accountability (RBA) framework across housing programs, establishing key performance measures for each strategy.

The agency will resist the creation of additional, “siloed” subsidy programs, and explore ways to leverage the potential of existing programs to serve other client populations through cross-departmental cost sharing and other means.

For state subsidy or service programs without a finite duration of assistance, departments will ensure that clear eligibility and prioritization criteria are in place before placing additional clients to avoid creation of structural deficits.

The State will explore combining the Housing Contingency Fund and Housing Recovery Fund into a single program in the department of Mental Health.

The Vermont Rental Subsidy program should be considered for expansion in fiscal year '15, with emphasis placed on increasing employment income as a sustainability strategy. The State will explore the option of bundling a portion of any additional subsidy slots with the Family Supportive Housing program and Strengthening Families Initiative, both in the Department for Children and Families.

Where viable, AHS will seek to support operation of seasonal shelters. Reporting and monitoring can be standardized by having AHS funding for such shelters administered through the OEO as part of the Emergency Solutions Grants program.

The State should consider increasing the state share of the Emergency Solutions Grant (Homeless Shelters and Services line) to help offset a destabilizing 25% reduction in the federal share and support emergency shelter capacity.

The State should consider expansion of the Family Supportive Housing program to maintain the Rutland, Burlington, and Brattleboro sites and add additional districts through a statewide RFP.

As the SAMHSA-funded DMH Pathways program reaches the end of its five year federal pilot, the State should seek to maintain this “*Housing First*” services option with emphasis on increased state-level oversight, adoption of AHS housing stability performance measures, and a solution for addressing the small percentage of participants who do not thrive in such a model.

The agency will continue to involve the Vermont Department of Health and Department of Vermont Health Access to help map the synergistic relationship between stable housing and good health. As part of a data development agenda, the agency should explore embedding housing status into the state’s integrated eligibility and case management tool.

Introduction: Outcome, Population-Level Indicator, Strategies

The Agency of Human Services administers housing programs touching virtually every demographic in every district, and in some cases with multiple service options. It is important to note that, historically, many housing and shelter programs evolved locally as a response to a crisis such as homelessness. Similarly, departments and divisions have often developed programs to serve a specific client population. At other times, programs have been developed to backfill the loss of other state or federal funding. In each example, time is usually of the essence resulting in program development that has not always been highly consistent from region to region or highly coordinated between the departments of the agency. As we move toward greater alignment and a one agency approach, the role, scope and impact of the agency's various housing programs, as well as their intersection with policy and strategic planning, can be better understood using a framework that borrows from the Results-Based Accountability (RBA) model.

The agency's overarching, desired housing outcome is that:

Vermonters have stable, safe, affordable housing.

This derives from the AHS policy on Housing Stability and links to goal #2 of the agency's strategic plan to "*Promote the Health, Well-Being and Safety of Individuals, Families and our Communities*" as well as priority #3 of the State's strategic plan. Because quantifying housing stability at the population level presents obvious challenges, the agency uses the rate of homelessness as a proxy population-level indicator for the number of people lacking housing stability. Baseline data for measuring homelessness in Vermont derives from the annual Point-In-Time count of the homeless conducted each year in January. Data used are summary totals as submitted to the Department of Housing and Urban Development by Vermont's two Continuum of Care groups who have primary responsibility for the annual count. The 2013 Point-in-Time count reported that 366 adults and 117 children were homeless in Chittenden County and 658 adults and 313 children were homeless in the State's remaining 13 counties.

To support the outcome of Vermonters having stable, safe, affordable housing, and bend the curve on the rate of homelessness, AHS supports a variety of activities providing housing, shelter and service supports to clients along a continuum between homelessness and permanent, affordable housing. Regardless of department, division, or population served, these activities can be categorized into seven strategies:

1. PREVENT Homelessness for those at-risk
2. Provide short-term emergency SHELTER ...with Services
3. TRANSITION people from institutions and shelter to permanent housing
4. RE-HOUSE the homeless
5. SUPPORT people with customized services in permanent housing
6. Increase the AFFORDABILITY of housing
7. Expand opportunities for INDEPENDENT LIVING

Activities, Programs and Performance Measures

The following is a summary of AHS-funded housing activities, organized by strategy. Beneath each is a list of representative programs and sample performance measures already in use or in development. Good measures are essential for evaluating program efficacy and attuning program administrators and community partners to the key objective being supported through these public funds.

1. Homelessness Prevention

Activities: Back rent assistance; case management; landlord-tenant mediation; utility assistance.

Programs: Emergency Solutions Grants; Community Housing Grant.

Sample Measures: # people served; % stabilized within 28 days; % maintaining that housing for at least 90 days.

2. Shelter ...with Services

Activities: Emergency shelter; domestic violence shelter; youth shelters; seasonal or cold weather shelter; emergency motel stay.

Programs: Emergency Solutions Grants; General Assistance Temporary Shelter; Harbor Place model.

Sample Measures: # people sheltered; # bednights of shelter provided; average length of stay; % of residents getting case management within 3 days.

3. Transitional Housing

Activities: Transitional housing for veterans; transitional housing for offenders; domestic violence transitional housing; half-way house.

Programs: Emergency Solutions Grant; Corrections Transitional program; ADAP Sober Housing.

Sample Measures: # people housed; % successfully transitioning to permanent housing; % off of alcohol and drugs at exit and at 90 days following exit.

4. Rapid Re-Housing

Activities: First month's rent; security deposit; utility deposit; case management; short or medium-term subsidy.

Programs: Emergency Solutions Grants; Community Housing Grant; DCF housing pilots; Transitions to Housing; Vermont Rental Subsidy program; Housing Contingency Fund; Housing Recovery Fund; housing assistance for persons with HIV/AIDS.

Sample Measures: # people served; % re-housed within 28 days; % maintaining that housing for at least 90 days.

5. Supportive Housing

Activities: Supportive Housing for Families; Scattered-Site, Permanent Supportive Housing with Services ("*Housing First*").

Programs: Family Supportive Housing; Housing First.

Sample Measures: The % of participants enrolled maintaining housing stability at 3, 6, 12 and 24 months.

6. Affordable Housing

Activities: Rental Subsidies; Low-Income residential thermal efficiency.

Programs: Vermont Rental Subsidy program; Youth Development Program; Transitions to Housing; Subsidy and Care program; Weatherization Assistance Program.

Sample Measures: # and % of households maintaining stable housing for 12 or more months; # and % of households successfully graduating the program; # of homes weatherized.

7. Independent Living

Activities: Accessibility improvements or modifications; on-site service and health coordination; homesharing.

Programs: Home & Community Access Program; Support and Services at Home (SASH); Homeshare.

Sample Measures: # of unique households served; # of people matched to housing

Note – Some Programs appear under more than one Strategy.

Updates and Revisions to the 2014 AHS Housing Inventory

The Housing Inventory described in the following pages, and included here as attachment A, represents a comprehensive listing of housing programs in the Vermont Agency of Human Services that are active in State Fiscal Year 2014. The inventory defines “housing program” as a program which supports the housing stability outcome through one or more of the strategies described earlier: homelessness prevention; shelter, transitional housing; rapid re-housing; supportive housing; affordable housing; and independent living. Both State-administered and grant-funded programs are represented. The document is designed as a tool to support the six departments of AHS, the AHS central office, and the State Legislature in thinking strategically about housing resources available in various regions of the state and to consider interactions between eligibility criteria and service array.

Housing Resources (population served column) are estimate projections based on the previous fiscal year. Funding levels are estimates subject to adjustment over the course of the fiscal year. Unless noted, dollar amounts shown represent the portion (state or federal) which passes through the Agency of Human Services.

In the most recent iteration of the Housing Inventory, AHS has added:

- A funding column to capture Global Commitment dollars;
- Actual SFY 2013 expenditure data;
- SFY 2013 performance data.
- SFY 2014 funding and capacity estimates.

Based on feedback on the previous year’s Housing Inventory, the agency has also:

- Consolidated some rows so that they appear as a single aggregate program line as opposed to multiple lines broken out by region or grantee;
- Removed from the inventory programs in which the residential component is funded through another source, or institutional programs where a short-term residential component is in large part secondary to intensive therapeutic services being provided to a client;
- Created a section to provide additional detail and analysis of state-funded subsidy programs (*included in this report as Attachment B*).

State-funded subsidy programs in AHS

Context: Contraction of HUD Section 8 and USDA RD funding

Clients of AHS continue to face extreme housing supply and affordability pressures made more acute by the recent loss of 774 federal section 8 vouchers and cuts to the USDA RD program. The State anticipates additional loss of vouchers through subsequent rounds of sequestration. The loss of these permanent subsidies is being felt in a number of ways. Section 8 participants are more likely to lose a voucher over lease violations. Vermonters who are homeless and extremely low income no longer have a clear path to enter the rental market. Robust case management and service coordination programs struggle to find enough units and subsidies to match to their service capacity. In general, the departments of AHS should be proud of having developed strong services that support people in housing, but tight supply of rental units in some communities and the rapidly decreasing supply of federal subsidies statewide threaten to undermine a housing success story.

As part of its housing affordability strategy, Vermont has developed or expanded a number of state-funded programs to mitigate the disparity between the price of rental housing in Vermont and the income of households in low-wage jobs or on federal benefits. While the pressures created by federal reductions are acute, the housing situation for hundreds of Vermont families and individuals would be sharply worse if the State had not dedicated dollars to these efforts.

Programs Evaluated

For purposes of the inventory and this evaluation, a subsidy is defined as four or more months of consecutive rental assistance paid to a landlord on behalf of a client household. This is distinguished from short-term and one-time rental assistance which would more likely constitute assistance with back rent owed or a rental security deposit. By these criteria, the following seven programs were identified for evaluation:

- Vermont Rental Subsidy Program (DCF/Economic Services Division)
- Transitions to Housing (AHS Central Office)
- Youth Development Program (DCF/Family Services)*
- DOC Transitional Housing (PATHWAYS DOC)*
- Subsidy & Care (DMH)
- Housing Contingency Funds (DMH)
- Housing Recovery Funds (DMH)

**For DCF's Youth Development Program and DOC's Transitional Housing (Pathways) program, less than 50% of program funding goes to subsidies. As such, these programs may not be a fair comparison to the other subsidy programs included in this evaluation. They are included for context.*

Descriptions, Eligibility, Expected Outcomes, Possible Overlaps, Linkages

Vermont Rental Subsidy Program (DCF) \$500,000

Description: Statewide. Local Housing Review Teams screen for eligibility and score using standard applications. Economic Services Division awards subsidies based on points score and makes monthly payments directly to landlords. Program has a designated priority with the VT State Housing Authority section 8 program.

Eligibility: Homeless and receiving Reach-Up or SSI, or under 125% of Federal poverty level. Prioritization: Uses point sheet. Points awarded in four categories: Household type; # of people in the household; current housing situation; income sources.

Expected Outcomes: 1. The % of households who have maintained stable housing for 12 or more months. 2. The # of households who successfully graduate the program. (*Examples: obtained long-term affordable housing or voucher, or increased income.*)

Possible overlaps: Mitigated. Housing Review Teams ensure that clients who are eligible for permanent subsidies (VASH, Section 8, DMH) apply for those, instead.

Linkages: Housing case management provided by designated housing support worker on local Housing Review Team; links to federal section 8 voucher.

Transitions to Housing (AHS) \$80,000

Description: Functions as a section 8 subsidy, capped at 24 months. Administered through Brattleboro Housing Authority. Includes limited funding for damages to unit. Local Housing Review Team plays significant role in referral and mobilizing case management resources.

Eligibility: Homeless families with children in the Brattleboro district. 80% of new households served are enrolled in the Family Supportive Housing program.

Expected Outcomes: Secure transitional or permanent housing for at least six months.

Possible overlaps: Mitigated. Housing Review Teams prevent overlaps by ensuring that clients who are eligible for more permanent subsidies (VASH, Section 8, DMH) apply for those, instead.

Linkages: Case Management provided through Family Supportive Housing Program and other local providers.

***Youth Development Program (DCF) \$300,000 (*33% on subsidy)**

Description: Statewide program. Assistance with deposits, rent for independent living; support for SRO services; payment to adult living partners. CM support for accessing housing through categories created under Act 74 the Youth in Transition Law and regulations. 3 categories of funding: 1 + 2 support youth living in programs or with supportive adults, funds flow through DCF foster care payroll directly to the provider. The third supports youth living independently. Funds are granted to Youth Development provider agencies who disburse it directly to youth with prior authorization of the State.

Eligibility: Must be over 18 AND must have left DCF custody after age 16, OR for a 5 year period after age 10.

Expected Outcomes: Housing stability: number of youth experiencing safe, stable housing as indicated by the number of youth who receive at least one three-month period of housing support during the annual period.

Possible overlaps: Some youth receive section 8 support during the period. In those cases the housing support provided is to bridge to other options or for housing related items like furniture etc.

Linkages: Subsidy is linked to the State Youth Development Program which prepares foster youth for adult living. All youth receiving the housing supports receive them as a part of the overall programming.

***DOC Transitional Housing (Pathways - DOC) \$830,936 (*45% on subsidy)**

Description: Intensive case management, housing voucher, mental health & substance abuse treatment, vocational support, basic life and housing needs.

Eligibility: Psychiatric disability, history of homelessness, returning to the community from incarceration, supervised by DOC.

Expected Outcomes: Promote housing stability, reduce recidivism, promote community integration, enhance personal efficacy, improve ability to meet basic needs, enhance quality of life, increase social skills and social roles, and improve employment opportunities.

Possible overlaps: None.

Linkages: Section 8 housing choice vouchers (when available).

Subsidy & Care (DMH) \$1,420,018

Description: Tenant-Based rental vouchers for people with serious mental illness who would otherwise be hospitalized. Funds are granted to Vermont State Housing Authority to administer on behalf of DMH.

Eligibility: "Near" CRT eligible and chronically homeless & needing acute care or currently homeless in an acute care bed.

Expected Outcomes: Self-Sufficiency Outcome Measures

Possible overlaps: None.

Linkages: Links with community support programs at local mental health centers. Bridges to federal section 8 as available.

Housing Contingency Funds (DMH) \$391,734

Description: CRT Program Eligible persons lacking affordable housing.

Eligibility: CRT eligibility.

Expected Outcomes: Self-Sufficiency Outcome Measures starting July 2013.

Possible overlaps: Housing Recovery Funds.

Linkages: Links with community support programs at local mental health centers. Bridges to federal section 8 as available.

Housing Recovery Funds (DMH) \$495,075

Description: CRT Program Eligible persons lacking affordable housing.

Eligibility: CRT eligibility and leaving Vermont State Hospital.

Expected Outcomes: Self-Sufficiency Outcome Measures starting July 2013.

Possible overlaps: Housing Contingency Funds.

Linkages: Links with community support programs at local mental health centers. Bridges to federal section 8 as available.

Comparison of AHS Subsidies: Duration – Capacity - Spending Trends

SUBSIDY	Intended Duration of Assistance (in months)	2013 Average Duration of Assistance (# months)	2013 Avg. Number of active Vouchers or Subsidies (#)	2011 Funds Expended (\$)	2012 Funds Expended (\$)	2013 Funds Expended (\$)	2013 Share spent on Subsidy (%)	2014 Funds Budgeted (\$)	2014 Number of Active Vouchers or Subsidies (#)
Vermont Rental Subsidy Program (DCF/ESD)	12	11	67 active (varies based on average HAP payment.)	\$0	\$0	\$534,312	100%	\$500,000	65
Transitions to Housing (AHS CO)	24	18	9 active; estimated 19 households served in 12 month period.	\$93,235	\$88,603	\$75,193	90%	\$80,000	9
Youth Development Program (DCF/Family Services)	6	5	24 (Not primarily a subsidy program)	\$168,000	\$195,000	\$205,600	33.3%	\$300,000	26
DOC Transitional Housing PATHWAYS (DOC)	Not limited, funding ends when DOC supervision ends	8	45	\$314,188	\$830,936	\$830,936	45%	\$830,936	58
Subsidy+Care (DMH)	Currently ongoing	Average LOS since program began 12/12 is 293 days Ongoing Subsidy till Sect 8	128 (Applications = 167; Pending lease = 31 Leased up = 126)	\$0	\$0	\$585,171	85%	\$1,420,018	126
Housing Contingency Funds (DMH)	Until section 8	AVG 12 per fiscal year New Data Collection will improve LOS for this program	AVG 161	\$391,734	\$391,734	\$391,734	100%	\$391,734	172
Housing Recovery Funds (DMH)	Until section 8	AVG 12 per fiscal year New Data Collection will improve LOS for this program	AVG 122	\$495,075	\$495,075	\$495,075	100%	\$495,075	135
				\$1,462,232	\$2,001,348	\$3,118,021		\$4,017,763	591

Findings

Summary of spending

For State Fiscal Year 2014, the Agency of Human Services has budgeted approximately 34 Million dollars on activities which could be defined as housing programs. Approximately 70% of this is in state general funds, 18% is Global Commitment Funding, and the remaining 12% are federal funds. While the federal share may appear low, this inventory does not capture many housing and homeless programs receiving direct federal funds that do not pass through the agency.

Good targeting plus good performance measures equals good results

Programs with a refined approach to targeting, incorporating both threshold eligibility and prioritization, are better able to manage resources and match the duration of subsidy or intensity of services to their clients' financial and service needs. Programs which have developed and promoted strong, realistic performance measures are seeing that in most cases they are attainable and that when they are not, they are useful in identifying areas for additional technical assistance from the State, peer-to-peer support from high performers, or a new approach.

Capacity for management of housing programs, grants and contracts

Some programs may not be operating to their full potential because staffing patterns do not support adequate monitoring or working with grantees on continuous improvement.

Opportunities for consolidation

While the majority of programs do not duplicate services, there may be opportunities to realize some administrative efficiency by consolidating programs that provide highly similar services using highly similar eligibility criteria but through separate divisions or contracts. Examples are the Housing Contingency Fund and Housing Recovery Fund, both in the Department of Mental Health; and the Emergency Solutions Grant and Community Housing Grants, both in the Department for Children and Families.

Combining services with shelter

In Vermont's climate, access to adequate shelter is critical to preventing exposure-related death, injury and suffering. Emergency shelters are likely to remain an essential part of the agency's housing strategy for the foreseeable future. But shelter alone, without on-site service supports or a strong system for ensuring connections to services, does not address the root causes of a family's homelessness and is unlikely to reduce the rate of homelessness. Shelter and subsidy programs perform better where there is capacity for dedicated case management and essential services. The agency has recently invested in models that combine on-site case management services with the shelter or housing component, such as at the Champlain Housing Trust's "Harbor Place" project.

Rapid Re-Housing

Rather than assume all persons who become homeless or exit institutions must scale multiple steps from homelessness to shelter to transitional housing to permanent housing, the State has increased programming in the area of rapid rehousing which removes steps along the way and prioritizes a rapid return to housing.

Recommendations

Following are recommendations to maximize the State's investment of housing funds, enhance the ability of Vermonters to achieve stability and independence, increase collective impact, and support implementation of a one-agency vision for housing.

Getting to Outcomes:

To facilitate evaluation and orient housing programs toward a common outcome, the AHS Central Office will continue to promote the Results-Based Accountability (RBA) framework outlined earlier in this report. This will be prioritized for programs providing longer-term assistance such as Subsidies, Transitional Housing, and Supportive Housing and will use the following steps:

1. The agency will establish one or two key performance measures for each of the seven housing strategies described on page 5. These key agency measures will summarize the quantity of effort and quality of effect frames across programs. Departmental divisions and providers will have responsibility for co-developing quality of effort and quantity of effect measures by program. Program administrators and providers will maintain responsibility for tracking performance measures at the grantee level.
2. To address support grants developed in an outputs era, departments will be encouraged to let RFPs built around these performance measures. This will allow partners the option of adapting their reporting approach or programming. Performance data in grants, contracts and programs will be monitored by program administrators with a goal of continuous improvement.
3. Building off of the adoption of common performance measures in grants, contracts and state-run programs, AHS and its departments will next explore development of standard AHS housing reports for grantees, organized around the strategy or type of activity provided, as opposed to where funding originates.

Subsidies:

1. The agency will resist the creation of additional, "siloe" subsidy programs, and instead explore ways to leverage the potential of existing programs to serve other client populations through cross-departmental cost sharing and other means. Examples include using funds from the VA or VDH to expand ESD's Vermont Rental Subsidy (VRS) program or using other community grant dollars to "buy" VRS subsidy slots.
2. For state subsidy or service programs without a finite duration of assistance, departments will ensure that clear eligibility and prioritization criteria are in place before placing additional clients to avoid creation of structural deficits.

3. The State will explore combining the Housing Contingency Fund and Housing Recovery Fund into a single program in the department of Mental Health. Eligibility, allowable activities, scale and delivery system are virtually identical, but as currently operated, these programs do not readily lend themselves to evaluation. Both will likely require more active management to realize or measure their full potential and this will be better supported as a single program.
4. Based on strong performance data, the Vermont Rental Subsidy program should be considered for expansion in fiscal year '15, with emphasis placed on increasing employment income as a sustainability strategy for participants. Given that 80% of households served are on the Reach-Up program, the State will explore bundling some of these additional subsidy slots with the Family Supportive Housing program and Strengthening Families Initiative, both in the Department for Children and Families.

Other supports to enhance the ability of Vermonters to achieve stability and independence:

1. Where viable, AHS will seek to support operation of seasonal shelters. Reporting and monitoring can be standardized by having AHS funding for such shelters administered through the Office of Economic Opportunity as part of the Emergency Solutions Grants program.
2. The State should consider increasing the state share of the Emergency Solutions Grant (Homeless Shelters and Services line) to help offset a destabilizing 25% reduction in the federal share and support emergency shelter capacity.
3. The State should consider expansion of the Family Supportive Housing program to maintain the Rutland, Burlington, and Brattleboro sites and add additional districts through a statewide RFP.
4. As the SAMHSA-funded DMH Pathways program reaches the end of its five year federal pilot, the State should seek to maintain this "*Housing First*" services option with emphasis on increased state-level oversight, adoption of AHS housing stability performance measures, and a solution for addressing the small percentage of program participants who do not thrive in such a model.
5. The agency will continue to involve the Vermont Department of Health and Department of Vermont Health Access to help map the synergistic relationship between stable housing and good health. As part of a data development agenda, the agency should explore embedding housing status into the state's integrated eligibility and case management tool.

2014 Estimate	Program	Grantee	Area Served Town, County, Region	Housing Resource or Population Served	Special Requirements or Definitions	Services Provided	2014 GF \$ Budgeted	2014 GC \$ Budgeted	2014 Federal \$ Budgeted	Key Outcome Measure, Indicator or Objective	Notes	2013 \$ Expended	2013 Results
DAIL	Support & Services at Home SASH (HASS)	Cathedral Square Corporation*	Statewide	Residential-based coordination of health and other services for 1,270 seniors and/or people with disabilities		Housing and Services including Case Management; health care coordination; nutrition assistance, disease and falls prevention activities		\$325,823		stable community housing for elders and persons with disabilities	*Funding to Cathedral Square and 10 other housing sub-grantees. (GC - MCO\$)	\$325,823	1,270 Seniors and or people with disabilities in stable housing. (Research Triangle Institute (RTI) is collecting health outcomes data as part of a demonstration grant.)
DAIL	Support & Services at Home SASH (Infrastructure)	Cathedral Square Corporation	Statewide	Housing and Services CM; health care coordination		Statewide Infrastructure to grow and support the SASH Initiative		\$420,369		# of active SASH hubs		\$420,369	32 active SASH housing hubs.
DAIL	Home and Community Access Program	Vermont Center for Independent Living	Statewide	Home accessibility modifications for Vermonters with physical disabilities.		Internal and external ramps, bathroom and kitchen accessibility projects.	\$100,000			Number of projects completed / households served.	# of jobs completed /households served data includes \$435,000 in other funding.	\$100,000	66 projects serving 46 households
DAIL	Home Share	Home Share NOW of Central Vermont	Central VT	Seniors and people with disabilities		Home Matching and independent living support		\$147,223		# of Matches allowing people to remain home; average length of matches; and affordable housing options created	GC - MCO\$	\$147,223	61 unduplicated persons in matches; 49 people provided affordable housing
DAIL	Home Share	Home Share Vermont	Northwest VT	Seniors and people with disabilities		Home Matching and independent living support		\$179,939		# of Matches allowing people to remain home and affordable housing options created	GC - MCO\$	\$179,939	299 unduplicated people in matches; 113 people provided affordable housing; Average length of match of 546 days
DCF/ESD	Housing (Pilots)	Samaritan House	Franklin & Grand Isle Counties	CM and Housing for Homeless and at-risk Families and Individuals	Paid out based on month to month client t TANF status per grant 10027-12.	Short-term Transitional Housing	\$77,604		\$38,802	Housing Stability	*Paid out based on month to month client t TANF status per grant 10027-12.	*	No 2013 Outcome data available
DCF/ESD	Housing (Pilots)	Springfield Supported Housing Program	Windsor County	CM for Homeless and at-risk Families and Individuals		Short-term Transitional and Supportive Housing	\$79,900		\$59,925	Housing Stability	*CM ONLY - split 50% TANF; %50 FSE&T(requires state match)- per grant 10036-12	*	No 2013 Outcome data available
DCF/ESD	Vermont Rental Subsidy Program	(Direct to Landlords)	Statewide	12-month rental subsidy for approximately 65 low-income, homeless households. (Creates preference for federal section 8 voucher.)	Standard AHS definition of homelessness with prioritization through risk / sustainability matrix	Affordable Housing / 12 Month Rental Subsidy	\$500,000			Housing Stability: 1. # and % of households maintaining stable housing for 12 or more months. 2. # and % of households successfully graduating the program.		\$534,312	1. 44 (40%) of 111 households in the VRS program were stably housed for 12+ months. 2. 27 (80%) of 34 households that moved off VRS successfully graduated the program by obtaining long-term affordable housing or voucher, or increased income.
DCF/ESD	General Assistance (Temporary Shelter)	(Direct to Motels)	Statewide	Homeless Families and Individuals	Uses GA rules and guidelines plus seasonal cold weather exception. Both Temp Housing Catastrophic and Temp Housing > 28 days. Client's served are both TANF and non-TANF eligible	Short-term, emergency Motel Stays	\$1,341,247		\$670,624	No key outcome measures, indicators or objectives identified		\$4,487,722	No 2013 Outcome data available
DCF/ESD	Reach-Up Housing Case Management	Morningside House	Brattleboro	Families on Reach up	Homeless	Reach-Up housing Case Management			\$53,880	Housing Stability		\$53,880	0% transitionally housed w/in 30 days of referral. 0% permanently housed w/in 60 days.
DCF/ESD	Housing Case Management	CVOEO	Burlington, St, Albans, Middlebury	Families on Reach up	Homeless	Housing Case Management			\$29,948	Housing Stability		\$29,974	96% permanently housed w/in 90 days; 87% still housed after 6 months; 74% still housed after 12 months.
DCF/ESD	Reach-Up Temp housing and Case Management	COTS	Chittenden County	Families on Reach up	Homeless	Reach-Up Temp housing and Case Management			\$310,675	Housing Stability		?	58% transitionally housed w/in 30 days of referral; 1% secured permanent housing w/in 60 days.

DCF/ESD	Reach-Up housing Case Management	Samaritan House	St. Albans District	Families on Reach up	Homeless	Reach-Up housing Case Management			\$77,604	Housing Stability		\$77,604	31% transitionally housed w/in 30 days of referral; 0% secured permanent housing w/in 60 days
DCF/ESD	Independence Place	Lund	Statewide	Pregnant & Parenting Females		Supportive Housing for pregnant and parenting women			\$528,240	Housing Stability		?	100% completing program transitioned to permanent housing.
DCF/ESD	Reach-Up housing Case Management	Springfield Supported Housing Program	Windsor County	Families on Reach up	Homeless	Reach-Up housing Case Management			\$79,604	Housing Stability		?	84% transitionally housed w/in 30 days of referral; 39% secured permanent housing w/in 60 days.
DCF/ESD	Community Housing Grants (CHG)	CVOEO	Burlington District	Families and individuals who are homeless or at-risk of homelessness	Standard AHS definition of homelessness and at-risk.	Homelessness prevention, rapid re-housing, homeless case management and transitional housing (optional)	\$872,150			% stabilized or re-housed within 28 days and percent remaining stable at least 90 days following.	Replaces SFY '13 Housing Replacement Funds (HRF)	NA (Launched July 2013)	NA (Launched July 2013)
DCF/ESD	Community Housing Grants (CHG)	CVOEO	St. Albans District	Families and individuals who are homeless or at-risk of homelessness	Standard AHS definition of homelessness and at-risk.	Homelessness prevention, rapid re-housing, homeless case management and transitional housing (optional)	\$251,708			% stabilized or re-housed within 28 days and percent remaining stable at least 90 days following.	Replaces SFY '13 Housing Replacement Funds (HRF)	NA (Launched July 2013)	NA (Launched July 2013)
DCF/ESD	Community Housing Grants (CHG)	CVCAC	Morrisville District	Families and individuals who are homeless or at-risk of homelessness	Standard AHS definition of homelessness and at-risk.	Homelessness prevention, rapid re-housing, homeless case management and transitional housing (optional)	\$81,156			% stabilized or re-housed within 28 days and percent remaining stable at least 90 days following.	Replaces SFY '13 Housing Replacement Funds (HRF)	NA (Launched July 2013)	NA (Launched July 2013)
DCF/ESD	Community Housing Grants (CHG)	NEKA	St. Johnsbury and Newport Districts	Families and individuals who are homeless or at-risk of homelessness	Standard AHS definition of homelessness and at-risk.	Homelessness prevention, rapid re-housing, homeless case management and transitional housing (optional)	\$175,074			% stabilized or re-housed within 28 days and percent remaining stable at least 90 days following.	Replaces SFY '13 Housing Replacement Funds (HRF)	NA (Launched July 2013)	NA (Launched July 2013)
DCF/ESD	Community Housing Grants (CHG)	CVCAC	Barre District	Families and individuals who are homeless or at-risk of homelessness	Standard AHS definition of homelessness and at-risk.	Homelessness prevention, rapid re-housing, homeless case management and transitional housing (optional)	\$238,893			% stabilized or re-housed within 28 days and percent remaining stable at least 90 days following.	Replaces SFY '13 Housing Replacement Funds (HRF)	NA (Launched July 2013)	NA (Launched July 2013)
DCF/ESD	Community Housing Grants (CHG)	CVCAC	Hartford District	Families and individuals who are homeless or at-risk of homelessness	Standard AHS definition of homelessness and at-risk.	Homelessness prevention, rapid re-housing, homeless case management and transitional housing (optional)	\$101,994			% stabilized or re-housed within 28 days and percent remaining stable at least 90 days following.	Replaces SFY '13 Housing Replacement Funds (HRF)	NA (Launched July 2013)	NA (Launched July 2013)
DCF/ESD	Community Housing Grants (CHG)	Springfield Supported Housing Program	Springfield District	Families and individuals who are homeless or at-risk of homelessness	Standard AHS definition of homelessness and at-risk.	Homelessness prevention, rapid re-housing, homeless case management and transitional housing (optional)	\$117,824			% stabilized or re-housed within 28 days and percent remaining stable at least 90 days following.	Replaces SFY '13 Housing Replacement Funds (HRF)	NA (Launched July 2013)	NA (Launched July 2013)
DCF/ESD	Community Housing Grants (CHG)	SEVCA	Brattleboro District	Families and individuals who are homeless or at-risk of homelessness	Standard AHS definition of homelessness and at-risk.	Homelessness prevention, rapid re-housing, homeless case management and transitional housing (optional)	\$152,803			% stabilized or re-housed within 28 days and percent remaining stable at least 90 days following.	Replaces SFY '13 Housing Replacement Funds (HRF)	NA (Launched July 2013)	NA (Launched July 2013)
DCF/ESD	Community Housing Grants (CHG)	CVOEO	Middlebury District	Families and individuals who are homeless or at-risk of homelessness	Standard AHS definition of homelessness and at-risk.	Homelessness prevention, rapid re-housing, homeless case management and transitional housing (optional)	\$143,144			% stabilized or re-housed within 28 days and percent remaining stable at least 90 days following.	Replaces SFY '13 Housing Replacement Funds (HRF)	NA (Launched July 2013)	NA (Launched July 2013)
DCF/ESD	Community Housing Grants (CHG)	Rutland County Housing Coalition	Rutland District	Families and individuals who are homeless or at-risk of homelessness	Standard AHS definition of homelessness and at-risk.	Homelessness prevention, rapid re-housing, homeless case management and transitional housing (optional)	\$379,376			% stabilized or re-housed within 28 days and percent remaining stable at least 90 days following.	Replaces SFY '13 Housing Replacement Funds (HRF)	NA (Launched July 2013)	NA (Launched July 2013)
DCF/ESD	Community Housing Grants (CHG)	BROC - Community Action in Southwestern VT	Bennington District	Families and individuals who are homeless or at-risk of homelessness	Standard AHS definition of homelessness and at-risk.	Homelessness prevention, rapid re-housing, homeless case management and transitional housing (optional)	\$162,620			% stabilized or re-housed within 28 days and percent remaining stable at least 90 days following.	Replaces SFY '13 Housing Replacement Funds (HRF)	NA (Launched July 2013)	NA (Launched July 2013)

DCF/Family Services	Youth Development Program	(Young Adults formerly in DCF custody - see notes)	Statewide	Estimated to serve 600 Young Adults formerly in DCF custody in SFY 2013	Must be over 18 AND have left DCF custody after age 16 ,OR for a 5 year period after age 10.	Assistance with deposits, rent for independent living; support for SRO services; payment to adult living partners. (CM support for accessing housing through categories created under Act 74 the Youth in Transition Law and regulations.	\$300,000			Housing Stability (# of youth achieving safe, stable housing as defined by target outcome indicator of 3 or more months of safe, stable housing during the period)	3 categories of funding: 1 + 2 support youth living in programs or with supportive adults, funds for these flow through DCF foster care payroll directly to the provider. The third supports youth living independently. Funds are granted to Youth Development provider agencies who disburse it directly to youth with prior authorization of the State.	\$205,600	24 youth achieved safe, stable housing.
DCF/Family Services	Continuum of Care Housing Broker	NEKCA	Newport District	Matching youth with housing resources in the NEK (estimated to serve 25 youth in SFY 2013)	Youth (Other funding sources support other populations served by this position.)	Referral. Matching youth with housing.			\$10,000	# of youth exiting program with safe, stable housing.	Represents a line item of a larger Family & Youth Service Bureau grant serving youth in the NEK.	\$10,000	18 youth exited with safe, stable housing.
DCF/OEO	Emergency Solutions Grant	Bennington Coalition for the Homeless	Bennington County	5 rooms of emergency shelter for families & services	Standard AHS definition of homelessness and at-risk.	CM; ES (Operations)	\$56,853			Stability After 90 Days		\$81,386	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Brattleboro Area Drop-In	Brattleboro; Windham County	Day Shelter (and 25 Seasonal Overflow shelter beds for families and individuals)	Standard AHS definition of homelessness and at-risk.	Drop-In Center (operations) and Seasonal Overflow Shelter	\$31,000			Shelter open, staffed, insured, safe		\$31,000	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	BROC	Rutland County	Services for families & individuals in temporary motel units	Standard AHS definition of homelessness and at-risk.	Housing CM			\$15,667	Stability After 90 Days	CSBG Discretionary funding	\$15,667	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Circle	Washington County	12 emergency beds, 1 transitional unit + services (domestic violence)	Standard AHS definition of homelessness and at-risk.	ES (Operations, Other Staffing);	\$15,000			Shelter open, staffed, insured, safe		\$15,000	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Clarina Howard Nichols Center	Lamoille County	12 emergency beds (domestic violence)	Standard AHS definition of homelessness and at-risk.	ES (Operations, Other Staffing);	\$21,200			Shelter open, staffed, insured, safe		\$21,200	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	COTS	Chittenden County	36 emergency beds (individuals, Waystation), Daystation, 63 emergency beds/15 rooms (families), Housing Resource Center (families & individuals)	Standard AHS definition of homelessness and at-risk.	CM; Housing CM; ES Operations; Day Shelter Operations; Homelessness Prevention (Services & Direct Assistance); Rapid Rehousing (Services & Direct Assistance)			\$242,074	Stability After 90 Days		\$267,845	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	CVCAC	Orange and Lamoille Counties	Prevention & Rapid Rehousing (families & individuals)	Standard AHS definition of homelessness and at-risk.	Homelessness Prevention (Services & Direct Assistance); Rapid Rehousing (Services & Direct Assistance)	\$45,078			Stability After 90 Days		\$45,704	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	CVOEO	Addison, Franklin, Grand Isle & Chittenden	Prevention & Rapid Rehousing; Incl. Credit Counseling (families & individuals)	Standard AHS definition of homelessness and at-risk.	Homelessness Prevention (Services & Direct Assistance); Rapid Rehousing (Services & Direct Assistance)			\$120,123	Stability After 90 Days		\$118,936	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Dodge House	Statewide	7 transitional beds (Veterans)	Standard AHS definition of homelessness and at-risk.	Transitional Housing (Operations, Other Staffing)			\$56,500	Stability After 90 Days	CSBG Discretionary funding	\$56,500	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Fair Haven Concerned	Fair Haven and surrounding towns	Direct Assistance for individuals & families	Standard AHS definition of homelessness and at-risk.	Homelessness Prevention (Direct Assistance)	\$5,000			Stability After 90 Days		\$5,000	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Friends of Vets	Statewide	Veterans at-risk of homelessness	Standard AHS definition of homelessness and at-risk.	Homelessness Prevention (Direct Assistance)	\$12,000			Stability After 90 Days		\$12,000	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Good Samaritan Haven	Washington County	16 emergency beds; rapid rehousing (individuals)	Standard AHS definition of homelessness and at-risk.	ES (Operations, Other Staffing); Rapid Rehousing (Direct Assistance)	\$42,722			Stability After 90 Days		\$44,494	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Greater Falls Warming Shelter	Windham and Windsor Counties	10 emergency beds for individuals	Standard AHS definition of homelessness and at-risk.	ES (Operations)	\$10,000			Shelter open, staffed, insured, safe	*Was included in SEVCA grant in 2013 (\$9750)	"	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	HOPE	Addison County	CM; counseling support; prevention & rapid rehousing (individuals and families)	Standard AHS definition of homelessness and at-risk.	CM; Other Staffing; Homelessness Prevention (Services & Direct Assistance); Rapid Rehousing (Services & Direct Assistance)		\$101,244		Stability After 90 Days		\$101,244	Multiple Activities: See aggregate totals, below.

DCF/OEO	Emergency Solutions Grant	John Graham Shelter	Addison County	25 emergency beds + 5 rooms + services; counseling support; prevention & rapid rehousing (individuals & families)	Standard AHS definition of homelessness and at-risk.	ES (Operations, CM, other staffing); Rapid Rehousing (Direct Assistance)	\$50,021	\$101,244		Stability After 90 Days		\$50,021	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Morningside House	Windham County	24 emergency beds + services (families and individuals)	Standard AHS definition of homelessness and at-risk.	ES (Operations); CM;			\$66,200	Stability After 90 Days		\$66,200	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	NEKCA	Caledonia County	12 emergency beds + services (individuals and families)	Standard AHS definition of homelessness and at-risk.	ES (Operations); CM	\$76,601			Stability After 90 Days		\$86,971	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	NEKYS	Caledonia County	10 transitional beds (youth)	Standard AHS definition of homelessness and at-risk.	Transitional Housing (other staffing)	\$10,179			Shelter open, staffed, insured, safe		\$10,179	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Open Door Mission	Rutland County	26 emergency beds and 25 transitional beds/units (adults only)	Standard AHS definition of homelessness and at-risk.	ES (operations); Transitional Housing (operations)	\$29,000			Shelter open, staffed, insured, safe		\$29,000	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Our Place Drop In Center	Bellows Falls and Surrounding Towns	services for adults in emergency shelter	Standard AHS definition of homelessness and at-risk.	CM for Seasonal Warming Shelter	\$8,580			Stability After 90 Days		\$8,580	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	PAVE	Bennington County	18 emergency beds (4 units); prevention assistance (domestic violence)	Standard AHS definition of homelessness and at-risk.	ES (operations); Homelessness Prevention (direct assistance)	\$20,000			Stability After 90 Days		\$20,000	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Rutland County Housing Coalition	Rutland County	Homelessness Prevention and Re-Housing for Individuals & Families	Standard AHS definition of homelessness and at-risk.	Homelessness Prevention (Services & Direct Assistance); Rapid Rehousing (Services & Direct Assistance)	\$59,944			Stability After 90 Days		\$67,142	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	ReSOURCE	Chittenden & Washington Counties	vouchers for large appliances, furniture & household goods to rehouse homeless persons	Standard AHS definition of homelessness and at-risk.	Rapid Rehousing (direct assistance)	\$25,000			Vouchers utilized for eligible purchases		\$30,000	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Rutland Co. Women's Network	Rutland County	13 Emergency beds (5 rooms) and 2 transitional units (domestic violence)	Standard AHS definition of homelessness and at-risk.	ES (operations); Transitional Housing (operations)	\$22,000			Shelter open, staffed, insured, safe		\$22,000	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Samaritan House	Franklin & Grand Isle Counties	16 emergency beds (individuals) + services (individuals & families)	Standard AHS definition of homelessness and at-risk.	ES (operations); CM	\$46,000			Stability After 90 Days		\$46,000	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	SEVCA	Windsor & Windham Counties	Homelessness Prevention for Individuals & Families	Standard AHS definition of homelessness and at-risk.	Homelessness Prevention (Services & Direct Assistance)	\$45,500			Stability After 90 Days	includes funding for Greater Falls Warming Shelter	\$60,584	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Sexual Assault Crisis Team (SACT)	Washington County; Statewide	12 emergency beds (4 rooms) (Domestic Violence & Sexual Assault)	Standard AHS definition of homelessness and at-risk.	ES (operations)	\$9,000			Shelter open, staffed, insured, safe		\$36,400	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Spectrum	Chittenden County	8 emergency beds + services (Youth)	Standard AHS definition of homelessness and at-risk.	ES (operations)			\$20,000	Stability After 90 Days	CSBG Discretionary funding	\$15,000	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Springfield Family Center	Springfield and surrounding towns	Day Shelter for Individuals & Families	Standard AHS definition of homelessness and at-risk.	Day Shelter (operations)	\$15,000			Shelter open, staffed, insured, safe		\$15,000	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Springfield Supported Housing Program	Springfield and surrounding towns	Services for Individuals & Families in transitional housing	Standard AHS definition of homelessness and at-risk.	Housing CM	\$24,000			Stability After 90 Days		\$24,000	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Umbrella	Northeast Kingdom	3 emergency beds (domestic violence)	Standard AHS definition of homelessness and at-risk.	ES (operations, other staffing)	\$15,061			Shelter open, staffed, insured, safe		\$15,061	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Upper Valley Haven	Windsor and Orange Counties	20 emergency beds (individuals) + services & 8 emergency rooms + services (Families)	Standard AHS definition of homelessness and at-risk.	ES (operations); CM; Homelessness Prevention Services			\$40,000	Stability After 90 Days	CSBG Discretionary funding	\$40,000	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Voices Against Violence	Franklin & Grand Isle Counties	9 emergency beds & services (Domestic Violence)	Standard AHS definition of homelessness and at-risk.	ES (operations; other staffing)	\$15,000			Shelter open, staffed, insured, safe		\$14,960	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	VT Coalition of Runaway and Homeless Youth Programs	Statewide	49 beds in 4 transitional living programs (Youth)	Standard AHS definition of homelessness and at-risk.	CM			\$20,952	Stability After 90 Days	CSBG Discretionary funding	\$26,600	Multiple Activities: See aggregate totals, below.

DCF/OEO	Emergency Solutions Grant	VT Network Against Domestic & Sexual Violence	Statewide	Homelessness Prevention and Re-Housing for Domestic Violence Survivors	Standard AHS definition of homelessness and at-risk.	Homelessness Prevention (Services & Direct Assistance); Rapid Rehousing (Services & Direct Assistance)	\$55,000			Stability After 90 Days		\$60,000	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Windsor County Youth Services	Windsor County	4 emergency beds - Mountainside & 20 Mile Stream (Youth)	Standard AHS definition of homelessness and at-risk.	ES (Operations)			\$16,000	Shelter open, staffed, insured, safe	CSBG Discretionary funding	\$16,000	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Women Helping Battered Women	Chittenden County	13 emergency beds, 5 cribs + services; services for those in motel units (Domestic Violence)	Standard AHS definition of homelessness and at-risk.	ES (operations; other staffing); CM	\$50,000			Stability After 90 Days		\$50,000	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant	Women's Freedom Center	Windham County	13 emergency beds (domestic violence)	Standard AHS definition of homelessness and at-risk.	ES (operations)			\$33,000	Shelter open, staffed, insured, safe		\$33,000	Multiple Activities: See aggregate totals, below.
DCF/OEO	Emergency Solutions Grant (ESG)	Approximately 38 Shelters, Transitional Housing Providers, CAP agencies, DV providers, and community-based non profit orgs.	Statewide	Emergency shelter capacity Transitional Housing, Case Management. Homelessness Prevention and Rapid Re-Housing services.	Standard AHS definition of homelessness and at-risk.	Emergency shelter beds, Transitional Housing, Case Management, Homelessness Prevention and Rapid Re-Housing services.	see above	see above	see above	Multiple activities. Includes: # Persons sheltered; # bednights; Length of Stay; % stable within 28 days; and % stable at 90 days; etc.	see above	see above	EMERGENCY SHELTER: 4,285 persons sheltered for 131,535 bednights and average stay of 30.7 days. HOMELESSNESS PREVENTION: 93% of households at-risk of homelessness had housing stabilized within 28 days and 63% maintained that housing for at least 90 days following assistance. RAPID REHOUSING: 81% of homeless households were re-housed within 28 days and 70% maintained that housing for at least 90 days following assistance.
DCF / OEO	Family Supportive Housing	RCHC, RCWN&S, Winston Prouty Center, COTS, HowardCenter	Rutland, Brattleboro and Burlington Districts	60-75 intensive case management slots linked to affordable housing	Homeless families with children. (Up to one quarter of families served may be prevention.)	Case Management / Service Coordination for 60 - 75 families with children transitioning from homelessness to perm housing	\$400,000			Family and housing stability	Includes \$10,000 for program evaluation	NA (Launched July 2013)	NA (Launched July 2013)
DCF/OEO	Weatherization	NETO	Northeast Kingdom	Weatherization for Low-Income Households (est. 301 units)	Income eligibility and project screening	Weatherization	\$1,991,541		\$447,003	reduced fuel costs for client; increased comfort; improved health and safety.	GMP Share of \$ and units = \$1,084,275 (132)	\$1,963,598	208 units weatherized
DCF/OEO	Weatherization	SEVCA	Southeastern Vermont	Weatherization for Low-Income Households (est. 326 units)	Income eligibility and project screening	Weatherization	\$2,496,300			reduced fuel costs for client; increased comfort; improved health and safety.	GMP Share of \$ and units = \$1,107,975 (138)	\$1,800,695	162 units weatherized
DCF/OEO	Weatherization	BROC	Southwestern Vermont	Weatherization for Low-Income Households (est. 320 units)	Income eligibility and project screening	Weatherization	\$2,509,649			reduced fuel costs for client; increased comfort; improved health and safety.	GMP Share of \$ and units = \$1,113,900 (139)	\$2,117,390	191 units weatherized
DCF/OEO	Weatherization	CVCAC	Central Vermont	Weatherization for Low-Income Households (est. 325 units)	Income eligibility and project screening	Weatherization	\$2,576,395			reduced fuel costs for client; increased comfort; improved health and safety.	GMP Share of \$ and units = \$1,143,525 (132)	\$2,079,768	193 units weatherized
DCF/OEO	Weatherization	CVDOE	Northwestern Vermont	Weatherization for Low-Income Households (est. 415 units)	Income eligibility and project screening	Weatherization	\$3,323,950			reduced fuel costs for client; increased comfort; improved health and safety.	GMP Share of \$ and units = \$1,475,325 (172)	\$2,173,396	278 units weatherized
DCF/OEO	Emergency Heating System Repair & Replacement Grant Program	Statewide	Statewide	Weatherization	Income eligibility and no heat in season	Emergency repairs or replacements of unsafe and/or inoperable heating systems	\$750,000			improved health and safety, comfort	State Weatherization Trust Fund \$	\$696,910	Replaced 107 furnaces, 33 boilers, 1 wood stove, 4 oil tanks and 13 Other (chimney liners, space heaters, chimney repairs, duct work, thermostats, pumped out oil tank, etc.) And 203 heating system repairs
DMH	Housing Continuity Fund (HCF)	All Designated Community Mental Health Centers	Statewide	housing, startup, rental assistance	CRT eligibility	CMH services provided through DA per CRT enrollment		\$391,734		Section 8 Acquisition till 2013	HCF & HRF Outcomes in SSOM are collected as of 10/1/2013	\$391,794	# of clients getting section 8. No actuals available.
DMH	Housing Recovery Fund (HRF)	All Designated Community Mental Health Centers	Statewide	housing, startup, rental assistance for people leaving VSH	CRT eligibility - leaving VSH	CMH services provided through DA per CRT enrollment		\$495,705		Section 8 Acquisition till 2013	HCF & HRF Outcomes in SSOM are collected as of 10/1/2013	\$495,075	# of clients getting section 8. No actuals available.

DMH	Mental Health Housing Subsidy & Care Program	Vermont State Housing Authority administers rental assistance to all communities	All Designated CMHCs, PATH Providers, & PATHWAYS	Tenant-Based rental Vouchers for People with serious mental illness who are homeless in the hospital or acute care setting	CRT designated or, close	Shelter Plus Care Model subsidy provided by DMH with Services provided by Local Participating Agencies that are funded by DMH		\$1,420,018		9 Self-Sufficiency Outcome Measures	SSOM Outcome Measure data Collected since program inception 1/12 - (Funds fully Obligated FY 14):	\$585,171	Self-Sufficiency Outcomes - Clients improved in: Community Involvement + 36.2% Disabilities + 52.7% Employment + 9.5% Health Care + 33.3% Income + 34.5% Legal + 19.7% Mental Health + 48.7% Housing + 100% Substance Abuse + 29.0 %
DMH	Pathways To Housing	Pathways Vermont	Burlington, Montpelier, Brattleboro, Addison & Franklin	Housing First Intensive Case management. No Housing subsidy	CRT designated or, close	Housing Search placement and Retention	\$0	\$0	\$0	9 Self-Sufficiency Measures & SAMHSA outcome measurement requirements for both PATHWAYS & PATH program (85% success in housing for 1 year+)	*Funding is direct from SAMHSA. SSOM & SAMHSA data required since Grant began 10/09.	\$0	SSOM & SAMHSA data required since Grant began 10/09.
DMH	Pathways To Housing	Pathways Vermont	Montpelier, Brattleboro, Addison & Franklin	Housing First Intensive Case management. No Housing subsidy	CRT designated or, close	Housing Search placement and Retention	\$375,000	\$0	\$0	9 Self-Sufficiency Measures & SAMHSA outcome measurement requirements for both PATHWAYS & PATH program (85% success in housing for 1 year+)		?	Outcome data unavailable at time of report
DMH	PATH	BADIC, HOPE, CHCB, GS, RHC, NEKCA	Windsor, Windham, Addison, Chittenden, Rutland, Orleans, Washington	Outreach & Case Management only for homeless adults. No housing subsidy	Homeless adults with mental illness and/or substance abuse issues	Outreach, screening, case management, referral, housing services for homeless adults with mental illness and/or substance abuse issues that avoid Designated Agencies.			\$300,000	SSOM & SAMHSA outcome measurement requirements	SAMHSA (DIHS) Since program began 1989	\$300,000	Data since inception (1989 - 2013): Clients outreached = 506; Clients enrolled = 730; Clients exited = 147; exited to housing = 111; exited to perm housing = 77
DOC	DOC Transitional Housing	Dismas House	Rutland	3 beds	Satellite prgm, 3/4 house	Peer support, information referrals	\$15,300			% Beds Utilized		\$13,462	87% utilization
DOC	DOC Transitional Housing	Winooski CJC (Community Justice Center)	Winooski	2 beds	None	COSA re-entry support, CM, information referrals, permanent housing	\$30,000			% Beds Utilized		\$30,000	100% utilization
DOC	DOC Transitional Housing	Dismas House	Burlington	6 beds	Satellite prgm, 3/4 house	Peer support, information referrals	\$36,420			% Beds Utilized		\$36,420	56% utilization
DOC	DOC Transitional Housing	John Graham Shelter	Vergennes	2 beds	None	Life skills training, employment assistance, community service referrals, assistance obtaining permanent housing	\$36,500			% Beds Utilized		\$31,950	100% utilization
DOC	DOC Transitional Housing	Bennington Coalition for the Homeless	Bennington	3 beds	None	Life skills training, employment assistance, community service referrals, assistance obtaining permanent housing	\$38,958			% Beds Utilized		\$38,958	100% utilization
DOC	DOC Transitional Housing	Springfield Supported Housing Program	Springfield	3 beds	None	supportive CM, life skills, tenancy education, referrals, personal enrichment and assistance with obtaining permanent housing	\$50,316			% Beds Utilized		\$41,829	77% utilization
DOC	DOC Transitional Housing	Samaritan House	St. Albans	4 beds	None	CM, information referrals	\$61,656			% Beds Utilized		\$61,656	100% utilization
DOC	DOC Transitional Housing	St. Albans CJC (Community Justice Center)	St. Albans	5 beds	None	COSA re-entry support, CM, information referrals, permanent housing	\$66,600			% Beds Utilized		\$66,600	80% utilization
DOC	DOC Transitional Housing	Springfield CJC (Community Justice Center)	Springfield	3 beds	None	re-entry support, CM, information referrals, permanent housing	\$67,737			% Beds Utilized		\$67,737	100% utilization
DOC	DOC Transitional Housing	Covered Bridge	St. Johnsbury	6 male beds	Substance Abuse Recovery; Faith based	Substance Abuse Services, Transportation, Vocational/Employment, Basic Life-Skills Training (Budgets), Life Enrichment, Mental Health Referral, CM, Family Services, Basic Needs (Housing, Food)	\$72,000			% Beds Utilized		\$72,000	71% utilization
DOC	DOC Transitional Housing	Morningside House	Brattleboro	5 beds	Age 18+	CM for substance abuse, mental health, and employment assistance referrals	\$78,417			% Beds Utilized		\$78,417	72% utilization
DOC	DOC Transitional Housing	CVCAC	Barre	6 female beds	None	housing search assistance, CM, resource and referral, advocacy, support individual and family development, limited transportation, rental subsidy, home visits, budgeting	\$83,094			% Beds Utilized		\$69,420	100% utilization
DOC	DOC Transitional Housing	Barre CJC (Community Justice Center)	Barre (Washington county)	8 beds	None	COSA re-entry support, CM, information referrals, permanent housing	\$104,245			% Beds Utilized		\$103,509	100% utilization

DOC	DOC Transitional Housing (With Housing Placement)	BROC	Bennington	1 Housing Search Specialist	None	Housing search and retention support, CM, information referrals, landlord/offender mediation, Renter 101 training curriculum	\$105,226		% Beds Utilized		\$98,996	90% utilization
DOC	DOC Transitional Housing	Montpelier CJC (Community Justice Center)	Montpelier (all Washington County)	8 beds	None	COSA re-entry support, CM, information referrals, permanent housing	\$106,099		% Beds Utilized		\$106,099	100% utilization
DOC	DOC Transitional Housing (With Housing Placement)	Burlington Housing Authority	Burlington	2 Housing Search Specialists	On furlough with minimum 1 year until max, sign addendum to lease with landlord upon being housed, participation in housing retention services	Housing search and retention support, CM, information referrals, landlord/offender mediation, Ready to Rent training curriculum	\$118,450		% Beds Utilized		\$118,450	100% utilization
DOC	DOC Transitional Housing	East Allen Dismas House	Winooski	9 male beds	None	Peer support, information referrals	\$158,128		% Beds Utilized		\$158,128	94% utilization
DOC	DOC Transitional Housing	Rutland County Housing Coalition	Rutland	13 beds	None	supportive CM, life skills, tenancy education, referrals, personal enrichment and assistance with obtaining permanent housing	\$172,060		% Beds Utilized		\$172,060	89% utilization
DOC	DOC Transitional Housing (With Housing Placement)	United Counseling Services / BROC	Bennington	1 Housing Search Specialist	None	Housing search and retention support, CM, information referrals, landlord/offender mediation, Renter 101 training curriculum		\$360,874	% Beds Utilized	Global Commitment	\$245,770	Full Year's Data Not Available
DOC	DOC Transitional Housing	Seall, Inc.	Bennington	14 male beds	None	CM, Information referrals	\$366,676		% Beds Utilized		\$366,676	87% utilization
DOC	DOC Transitional Housing	Northern Lights	Burlington	11 female beds	None	substance abuse, mental health, family assistance, mentoring, employment assistance, transportation, CM, information referrals		\$393,752	% Beds Utilized	Global Commitment	\$393,752	76% utilization
DOC	DOC Transitional Housing	Return House	Barre	10 male youth beds; 10-15 aftercare slots	Under 22	Substance Abuse, Mental Health, Employment Assistance, Transportation, CM		\$399,999	% Beds Utilized	Global Commitment	\$399,999	74% utilization
DOC	DOC Transitional Housing	Phoenix House	Bellows Falls	5 male beds	Substance Abuse Recovery, Over age 21	CM, recovery & educational groups, information referrals	\$53,650		% Beds Utilized		\$53,650	100% utilization
DOC	DOC Transitional Housing	Phoenix House	Brattleboro	4 female beds	Substance Abuse Recovery, Over age 21	CM, recovery & educational groups, information referrals	\$42,923		% Beds Utilized		\$42,923	95% utilization
DOC	DOC Transitional Housing	Phoenix House	Brattleboro	10 male beds	Substance Abuse Recovery, Over age 21	CM, recovery & educational groups, information referrals	\$107,309		% Beds Utilized		\$107,309	100% utilization
DOC	DOC Transitional Housing	Phoenix House	Burlington	20 male beds	Substance Abuse Recovery, Over age 21	CM, recovery & educational groups, information referrals	\$214,620		% Beds Utilized		\$214,620	76% utilization
DOC	DOC Transitional Housing	NEKCA	Lyndon	4 beds	None	CM, Information referrals, life skills, employment assistance	\$14,534	\$11,420	% Beds Utilized	Global Commitment	\$30,529	84% utilization
DOC	DOC Transitional Housing	NEKCA - Judd House	Newport	4 male beds	None	CM, Information referrals, life skills, employment assistance	\$90,504	\$71,110	% Beds Utilized	Global Commitment	\$110,534	100% utilization
DOC	DOC Transitional Housing	NEKCA - Aerie House	St. Johnsbury	4 female beds	Substance Abuse Recovery	CM, Information referrals, life skills, employment assistance	\$91,914	\$72,218	% Beds Utilized	Global Commitment	\$119,542	71% utilization
DOC	DOC Transitional Housing	NEKCA - Judd South House	St. Johnsbury	5 male beds	None	CM, Information referrals, life skills, employment assistance	\$88,783	\$69,758	% Beds Utilized	Global Commitment	\$121,557	78% utilization
DOC	DOC Transitional Housing (With Housing Placement)	NEKCA	St. Johnsbury & Newport	1 Housing Search Specialist	None	Housing search and retention support, CM, information referrals, landlord/offender mediation, Renter 101 training curriculum	\$80,379	\$63,155	% Beds Utilized	funding covers all programs	\$151,696	100% utilization
DOC	DOC Transitional Housing (PATHWAYS)	Pathways Vermont	Burlington (all Chittenden County)	10 beds	Psychiatric & SA needs	Intensive CM, permanent housing voucher, MH & SA treatment, vocational support, basic life/housing needs		\$186,350	% Beds Utilized	Global Commitment	\$186,350	100% utilization
DOC	DOC Transitional Housing (PATHWAYS)	Pathways Vermont	Montpelier (all Washington County)	10 beds	Psychiatric & SA needs	Intensive CM, permanent housing voucher, MH & SA treatment, vocational support, basic life/housing needs		\$231,150	% Beds Utilized	Global Commitment	\$231,150	100% utilization
DOC	DOC Transitional Housing (PATHWAYS)	Pathways Vermont	St. Albans	8 beds	Psychiatric & SA needs	Intensive CM, permanent housing voucher, MH & SA treatment, vocational support, basic life/housing needs		\$140,275	% Beds Utilized	Global Commitment	\$140,275	68% utilization
DOC	DOC Transitional Housing	Vermont Achievement Center	Rutland	10 female beds	None	Case management, Information referrals, life skills, employment assistance	\$217,000		% Beds Utilized	Program still in development	\$239,750	7% utilization
DOC	DOC Transitional Housing (PATHWAYS)	Pathways Vermont	Brattleboro (Windham/Windsor County)	10 beds	Psychiatric & SA needs	Intensive CM, permanent housing voucher, MH & SA treatment, vocational support, basic life/housing needs		\$273,161	% Beds Utilized	Global Commitment, (Program still in development)	\$273,161	31% utilization

DOC	DOC Transitional Housing	Covered Bridge	Irasburg	6 male beds	Substance Abuse Recovery; Faith based	Substance Abuse Services, Transportation, Vocational/Employment, Basic Life-Skills Training & Enrichment, MH Referral, Case mgmt, Family Services	\$72,000			% Beds Utilized	Program still in development	\$72,000	7% utilization
DOC	DOC Transitional Housing	Burlington Housing Authority	Burlington	4 female beds	None	CM for substance abuse, mental health, and employment assistance referrals	\$0			% Beds Utilized	Ends November 30, 2013	\$55,000	100% utilization
DOC	DOC Transitional Housing	Phoenix House	Barre	20 male beds	Substance Abuse Recovery, Over age 21	Case management, recovery & educational groups, information referrals	\$204,400			% Beds Utilized	In Development. Began 7/1/13	\$62,890	N/A In development
DOC	DOC Transitional Housing	CVCAC	Morrisville	10 beds	None	housing search assistance, case management, resource and referral, advocacy, support individual and family development, limited transportation, rental subsidy, home visits, budgeting	\$135,780			% Beds Utilized	In Development. Began 7/1/13	\$18,433	N/A In development
DOC	DOC Transitional Housing	Phoenix House	Bellows Falls and Brattleboro	8 beds	Substance Abuse Recovery, Over age 22	CM, recovery & educational groups, information referrals	\$85,855			% Beds Utilized	In Development. Began collecting resident data on 7/1/13	\$7,056	N/A In development
VDH	Housing Assistance for persons with HIV/AIDS	AIDS Project of Southern Vermont (APSVT); VT Cares; H2RC	Statewide	tenant-based rental assistance; short term rent, mortgage or utility assistance; permanent housing placement	HIV/AIDS positive, below 200% of FPL / payer of last resort / can't be used for security deposit unless guaranteed it comes back	Emergency Financial Assistance through ASOs to client (includes housing assistance)	\$95,000	\$95,000	\$399,696	# of participants working with ASOs whose housing is defined as "stable" by HRSA definition.	Amounts represent total funding awarded that could be used to support housing needs. Agencies don't budget specifically for housing as it's based on actual need.	\$34,398	89%-95% of participants in stable housing
VDH/ADAP	Sober housing	Covered Bridge Therapeutic communities	Statewide, but must be willing to relocate to St. J and/or St. Albans area post program	3 male beds in St. J and 3 in St. Albans	Faith based programming	Faith based service coordination, employment search assistance and skills development	\$43,800			Bed day capacity as established in FY12. (ADAP's FY15 outcomes and reporting are currently under development to align with AHS goals.)		\$44,800	34 individuals were served for a total of 2190 bed days.
VDH/ADAP	Sober housing	Morningside House	Brattleboro area	7 individual beds and 3 women with children beds	Risk/needs assessment and engagement in treatment	Life skills for women with children, otherwise sober housing		\$18,000	\$71,425	Bed day capacity as established in FY12. (ADAP's FY15 outcomes and reporting are currently under development to align with AHS goals.)	GC and Block Grant Investment (FY13 \$ actuals include \$1000 for RROSC activities.)	\$90,425	14 families were served for a total of 1096 bed days. 76 individuals served for a total of 2553 bed days.
VDH/ADAP	Aerie House	NEKCA	Northeast Kingdom	2 Female Beds	DOC involvement	life skills, NKHS services and recovery supports		\$3,000	\$11,600	Bed day capacity as established in FY12. (ADAP's FY15 outcomes and reporting are currently under development to align with AHS goals.)	GC and Block Grant Investment (FY13 \$ actuals include \$1000 for RROSC activities.)	\$15,600	12 individuals were served for a total of 548 bed days.
VDH/ADAP	RISE I,II,III	Phoenix House	Statewide (locations in Burlington, Brattleboro, and Bellows Falls)	Long-term halfway house programming for individuals.		halfway house program		\$30,000	\$115,000	Bed day capacity as established in FY12. (ADAP's FY15 outcomes and reporting are currently under development to align with AHS goals.)	GC and Block Grant Investment	\$145,000	121 individuals served for a total of 6794 bed days.
VDH/ADAP	Sober housing	Springfield Supported Housing Program	Statewide (with Windsor priority)	6 individual housing units, 6 parent/child units	seeking and actively abstinent	sober housing and recovery supports		\$24,000	\$96,450	Bed day capacity as established in FY12. (ADAP's FY15 outcomes and reporting are currently under development to align with AHS goals.)	GC and Block Grant Investment (FY13 \$ actuals include \$1000 for RROSC activities.)	\$121,450	10 families were served for a total of 2190 bed days. 29 individuals were served for a total of 2190 bed days.
VDH/ADAP	Grace House	Recovery House, Inc.	Statewide (located in Rutland)	Halfway house programming for individuals.	Sober, usually post inpatient treatment	halfway house program		\$15,000	\$60,000	Bed day capacity as established in FY12. (ADAP's FY15 outcomes and reporting are currently under development to align with AHS goals.)	GC and Block Grant Investment	\$75,000	65 individuals were served for a total of 3427 bed days.
VDH/ADAP	Willow Grove	Second Wind Foundation	Statewide (located in Wilder/WRI)	transitional sober housing 3-6 months for females	female, 2 beds for women with young child 30 day sobriety prior to admission	sober supportive housing, recovery supports		\$15,000	\$61,600	Bed day capacity as established in FY12. (ADAP's FY15 outcomes and reporting are currently under development to align with AHS goals.)	GC and Block Grant Investment (FY13 \$ actuals include \$1000 for RROSC activities.)	\$77,651	5 families served for a total of 730 bed days. 37 individuals served for a total of 2,555 bed days.

AHS Central Office	Transitions to Housing (Brattleboro)	Brattleboro Housing Authority	Brattleboro District	Transitional Housing Subsidy for families.	Homeless families in Brattleboro district. Uses AHS Homeless Definition with 80% targeted to families enrolled in Family Supportive Housing Program services.	24-month housing subsidy. (Case Management services provided through local partnering orgs. and the CEO Family Supportive Housing Program)	\$80,000	\$0	\$0	% of households accepted who secure transitional or permanent housing within 28 days and retain for 6 months or more.	Program linked with Family Supportive Housing in SFY 2013.	\$75,193	100% of households met with a case manager within 3 days of lease-up; 100% of households had income from employment or benefit; 88% of households secured housing within 28 days; 100% retained housing for 6 months.	
							\$23,799,400	\$6,056,521	\$4,052,592					\$26,524,747

SUBSIDY (Department)	Description of Subsidy	Eligibility or Prioritization Criteria	Expected Outcomes	Possible Overlaps	Program Links with or reinforces...	Intended Duration of Assistance (in months)	2011 Funds Expended (\$)	2012 Funds Expended (\$)	2013 Funds Budgeted (\$)	2013 Funds Expended (\$)	2013 Share spent on Subsidy (%)	2013 Avg. Number of active Vouchers or Subsidies (#)	2013 Average Duration of Assistance (# months)	2014 Funds Budgeted (\$)	2014 Number of Active Vouchers or Subsidies (#)
Vermont Rental Subsidy Program (DCF/ESD)	Statewide program. Local Housing Review Teams screen for eligibility and score using standard applications. Economic Services Division awards based on points score and makes monthly payments directly to landlords. Program has a designated priority on VT State Housing Authority section 8 waiting list.	Eligibility: Homeless and receiving Reach-Up or SSI, or under 125% of FPL. Prioritization: Uses points sheet. Points awarded in four categories: Household type; # of people in the household; current housing situation; income sources.	1. The % of households who have maintained stable housing for 12 or more months. 2. The # of households who successfully graduate the program. (Examples: obtained long-term affordable housing or voucher, or increased income.)	Housing Review Teams ensure that clients who are eligible for more permanent subsidies (VASH, Section 8, DMH) apply for those.	Housing case management provided by designated housing support worker on local Housing Review Team.	12	\$0	\$0	\$500,000	\$534,312	100%	67 active (varies based on average HAP payment.)	11	\$500,000	65
Transitions to Housing (AHS CO)	Functions as section 8 subsidy, capped at 24 months. Administered by Brattleboro Housing Authority. Includes limited funding for damages to unit. Local Housing Review Team plays significant role in referral and bringing case management resources.	Homeless families with children in the Brattleboro district. 80% of new households served must be enrolled in the local Family Supportive Housing program.	Secure transitional or permanent housing for at least six months.	Housing Review Teams prevent overlaps by ensuring that clients who are eligible for more permanent subsidies (VASH, Section 8, DMH) apply for those.	Case Management provided through Family Supportive Housing Program and local providers.	24	\$93,235	\$88,603	\$80,000	\$75,193	90%	9 active; estimated 19 households served in 12 month period.	18	\$80,000	8
Youth Development Program (DCF/Family Services)	Statewide - Assistance with deposits, rent for independent living; support for SRO services; payment to adult living partners. (CM support for accessing housing through categories created under Act 74 the Youth in Transition Law and regulations. 3 categories of funding: 1 + 2 support youth living in programs or with supportive adults, funds for these flow through DCF foster care payroll directly to the provider. The third supports youth living independently. Funds are granted to Youth Development provider agencies who disburse it directly to youth with prior authorization of the State.	Must be over 18 AND must have left DCF custody after age 16, OR for a 5 year period after age 10.	Housing stability: number of youth experiencing safe, stable housing as indicated by the number of youth who receive at least one three month period of housing support during the annual period	some youth receive section 8 support during the period. In those cases the housing support provided is to bridge to other options or for housing related items like furniture etc.	subsidy is linked to the State Youth Development Program which prepares foster youth for adult living. All youth receiving the housing supports receive them as a part of the overall programming.	6	\$168,000	\$195,000	\$300,000	\$205,600	33.3%	24 (Not primarily a subsidy program)	5	\$300,000	26
DOC Transitional Housing PATHWAYS (DOC)	intensive case management, housing voucher, MH & SA treatment, vocational support, basic life/housing needs	Psychiatric disability, history of homelessness, returning to the community from incarceration, supervised by DOC	promote housing stability, reduce recidivism, promote community integration, enhance personal efficacy, improve ability to meet basic needs, enhance quality of life, increase social skills and social roles, and improve employment opportunities		Section 8 HCV Program (when available)	Not limited, funding ends when DOC supervision ends	\$314,188	\$830,936	\$830,936	\$830,936	45%	45	8	\$830,936	58
Subsidys Care (DMH)	Tenant-Based rental Vouchers for People with serious mental illness who would otherwise be hospitalized. Funds are granted to Vermont State Housing Authority to administer on behalf of DMH.	"Near" CRT eligible and chronically homeless & needing acute care or currently homeless in an acute care bed.	Self-Sufficiency Outcome Measures	none	Links with community support programs at local mental health centers. Bridges to federal section 8 as available.	Currently ongoing	\$0	\$0	\$1,247,578	\$585,171	85%	128 (Applications = 167; Pending lease = 31 Leased up = 126)	Average LOS since program began 12/12 is 293 days Ongoing Subsidy till Sect 8	\$1,420,018	126
Housing Contingency Funds (DMH)	CRT Program Eligible persons lacking affordable housing	CRT eligibility	Self-Sufficiency Outcome Measures starting July 2013	Housing Recovery Funds	Links with community support programs at local mental health centers. Bridges to federal section 8 as available.	Until section 8	\$391,734	\$391,734	\$391,734	\$391,734	100%	AVG 161	AVG 12 per fiscal year New Data Collection will improve LOS for this program	\$391,734	172
Housing Recovery Funds (DMH)	CRT Program Eligible persons lacking affordable housing	CRT eligibility and leaving Vermont State Hospital	Self-Sufficiency Outcome Measures starting July 2013	Housing Contingency Funds	Links with community support programs at local mental health centers. Bridges to federal section 8 as available.	Until section 8	\$495,075	\$495,075	\$495,075	\$495,075	100%	AVG 122	AVG 12 per fiscal year New Data Collection will improve LOS for this program	\$495,075	135
							\$1,462,232	\$2,001,348	\$3,845,328	\$3,118,021				\$4,017,763	501

VCGI Testimony to VT Legislature's Joint Fiscal Committee

RE: Act 50 Sec E. 123(a) of the FY2014 Session

David Brotzman
VT Center for Geographic Information
Executive Director
11/21/13

VCGI's Situation

- Yearly Revenue Supported By Grants and Contracts (~40% of budget)
- Project Emphasis Means VCGI is Less Able to Support State and Agency Needs
- Reduced or Level Funding – Increasing Costs
- No Increase in Personnel (6 people for ~15 Years)
- Coming to the End of Large Grant (\$3.5M Ends Sept. 2014)
- Loss of Revenue Will Require Staff Reductions
- State Needs for Geospatial and 'Open Data' Coordination Are Increasing

VCGI Board Discussion

- Recognized Future Revenue Shortage In June 2012
- Three Strategic Planning Sessions in Fall 2012
- Facilitated Discussion
- Materials Available On-line and in the Report
- Thorough Analysis of VCGI Mission, State Long Term Needs, and Options
- Decision Was Made at December Board Mtg.
- Board Passed, One Against, One Abstained
- Directed Executive Director to Pursue a Merge into DII
- DII Selected Because of Shared Technology Focus

Budget Analysis

- Moving Into State Govt. Would Eliminate Costs of Being a Business
- Would Enable Use of Shared Resources (Accounting, HR, Benefits Management, etc.)
- Projected Savings of \$74, 087 for FY 2015
- Similar in Following Years
- Does Not Include Executive Director's Time for Business Management, HR, Benefits, etc.
- Project Work Can Still Be Done
- Expenses Will Only Increase

Benefits

- In-State Data Coordination Activities Save Money
 - Independent ROI Estimates Range from 3:1 to 50:1
- Sustained Access for Public To Valuable Resources
- Coordination Reduces Redundant Data Activities
- Provide Professional Development Activities
- Enable Sharing of Software and Hardware Costs
- Promotes Sharing of Expertise
- Future “Open Data” Needs
 - Geospatial Data Sharing Experience Supports Open Data Values
 - Coordination and Governance is Needed
 - Similar to State’s Enterprise GIS Consortium

Summary

- VCGI Is Approaching A Crossroads – September 2014
- State Data Coordination Needs Are Only Increasing
- Money and Time Can Be Saved By Moving VCGI Into State
- VCGI and DII’s Missions Are Aligned To Enterprise Technology Goals
- VCGI Can Focus Resources More on State Needs
- There Are Risks – They Are Manageable
- Consideration For Transition Planning Has Started
- In The Long Term – All Parties Will Benefit

Report to the VT Legislative Joint Fiscal Committee on the Vermont Center for Geographic Information's Long-Term Business Plan

As requested in of Act 50 Sec E.123(a) of the FY 2014 Vermont Legislative Session

Version - Final

November 14, 2013

Provided by David Brotzman

Executive Director

Vermont Center for Geographic Information

With contributions from the VCGI Board of Directors, VCGI Employees, and the National
Geospatial Coordination Community

Contents

1. Introduction	3
2. Executive Summary.....	3
3. Programmatic Goals.....	5
Stakeholders	7
4. Benefits and Justification	10
Direct Benefits to Stakeholders	10
Indirect Benefits to Stakeholders.....	11
5. Meeting Public Needs	12
6. Cost Model	13
Future Revenue Estimations – Fiscal Year 2015	16
7. Organizational Approach	17
8. Transition Plan	18
Personnel	18
Assets and Facilities	19
Physical.....	19
Financial	19
Services and Support	20
Legal and Contractual	20
9. Transition Timeline	21
10. Risk	23
11. Summary	25
12. Addendums	27
Business Model Discussion Materials	27
FY 2012 Core Services Analysis	30

1. INTRODUCTION

The passage of Act 50 Sec E.123(a) in the FY 2014 Vermont Legislative Session contained the following language;

“(a) No transfer of functions of the Geographic Information System (GIS) program shall occur in fiscal year 2014 without legislative approval. The Executive Director of the GIS program shall report on or before November 30, 2013 to the Joint Fiscal Committee on potential options for administrative and business office functions to be supported by an appropriate state entity and any other recommendations for long-term financial sustainability of the program.”

The following report created by the Executive Director of the Vermont Center for Geographic Information (VCGI) and reviewed by the VCGI Board of Directors is intended as the response to the legislature’s request.

The Vermont Center for Geographic Information, the state entity that is statutorily charged with the development and implementation of a comprehensive strategy for the Vermont Geographic Information System, proposes to change its business model from being a state, non-profit 501(c)4 organization to being a Division within an existing State Agency. By bringing VCGI’s existing organizational skills, resources and responsibilities into state government the organization will be more effective in meeting the geospatial coordination needs of the technology community. This proposed change will reduce the current operational burden of the organization to meet approximately 40% of VCGI’s yearly funding needs through grants and contracts. VCGI, as a Division within state government, will be able to focus existing skills and resources to support the growing technology coordination needs of state agency and non-governmental communities throughout Vermont.

2. EXECUTIVE SUMMARY

Government has historically been a primary provider of authoritative geospatial information, but it is now recognized that public and private consumer demand for spatial information has triggered a major shift toward commercial and local providers.¹ As a result it is necessary for federal and state government to meet the increasing demands of consuming as well as creating geospatial information. The state’s role is shifting toward coordinating and managing geospatial data and facilitating partnerships among the producers and consumers of geospatial information in government. A sustainable coordinating entity that is fully integrated within state government is critical for enabling the best use of government GIS resources in the new environment.

By moving inside state government, VCGI would eliminate all of the business costs of being a 501(c) 4 corporation and many of the current business management and employee benefit costs will be reduced through resource sharing available within an agency. The overall impact of this cost reduction will enable

¹ Congressional Research Service, **Geospatial Information and Geographic Information Systems (GIS): Current Issues and Future Challenges**.

VCGI employees to focus more on state coordination activities and reduce the organization's need for grants and contracts to sustain staffing.

Discussions about the need for VCGI to reconsider its business model go all the way back to the Board of Director's meeting in June 2012. The VCGI Board of Directors and VCGI management have been continuously discussing VCGI's upcoming financial squeeze since that time. In the Fall of 2012 the VCGI Board of Directors performed three Strategic Planning meetings. In those meetings the Board systematically considered all the elements that are driving the need for this change, the relative value of VCGI's services to all of its stakeholders, the future evolution of GIS technology, and the best course of action. Following that effort, at the December 2012 Board of Director's meeting the Board voted on a resolution to "give the ED permission to pursue a merge into DI&I and that the ED maintain core services ... to serve and benefit the community"². The motion carried, with all voting in favor except for Melissa Prindiville (representing ACCD), who voted as opposed, and Richard Boes (representing DII), who abstained.

By becoming a Division within state government VCGI hopes to be more fully involved with supporting the needs of agencies and the public by creating a sustainable GIS organization that will support state government, other state data needs, and provide an open data philosophy in support of state transparency goals.

Additional benefits of the recommended transition include;

- Elimination of confusion among agencies about VCGI's status as a state government organization
- Consistent treatment of VCGI on an agency by agency basis in establishing agreements related to contracts, grants, MOUs, and work orders.
- Standards established by VCGI with support from the geospatial community will formally become state standards for geospatial activities.
- A state entity will be responsible for coordinating the evaluation and maintenance of shared private sector GIS software, data services, and platforms in conjunction with the Enterprise GIS Consortium (EGC).
- The organization will be better able to provide direct support to all agencies developing GIS requirements for RFPs or contracts.
- VCGI would be fully included in the Vision system for accounting purposes making agency financial interactivity simpler.
- Improved coordination with Federal Agencies on GIS data initiatives and GIS program development.
- Full integration into the state's technology management infrastructure enabling better support to data related initiatives.

In order to accomplish the goal of becoming a Division within state government, VCGI needs the support of the Vermont Legislature, the State Administration, and State agencies. VCGI's current statutory language will need to be modified to eliminate the language supporting its non-profit status and direct

² Minutes of the December 2012 meeting of the VCGI Board of Directors.

VCGI to be administratively and legally within an existing state agency. The purpose of this transition is to reduce or eliminate VCGI's business costs, increase its available technical resources and better position state resources to meet the changing geospatial technology environment.

There is a risk to the valuable services VCGI currently provides if no action is taken on this matter. VCGI services that support governmental collaboration and greater efficiencies will be eliminated or reduced. Making VCGI a full state government organization as proposed provides sustainability to both the organization and services provided.

VCGI receives approximately 60% of its current yearly revenue needs through its state appropriation. The organization currently supplements the necessary additional 40% of its yearly revenue through grants, contracts and awards. Revenue from these sources is projected to be reduced significantly in early FY 2015 due to the close of a large federal grant. While there are future funding opportunities such as the state's statewide LiDAR and parcel data efforts as well as the FirstNet broadband grant. Each of these efforts will require GIS or mapping support, but the anticipated revenue from those grants will not fully replace the loss of the larger grant.

On a yearly basis VCGI contracts with state agencies and departments to provide GIS and mapping services on a task by task basis. Our experience over the years has shown that grant and contract opportunities will continue, although availability and revenue value will vary. VCGI also offers web based geospatial services to state agencies and our strategic intent is to increase those service offerings.

Grant, contract and award revenue projections for FY 2015 range from \$175,000 to \$275,000. Projections for FY 2016 are similar amounts. The organization could continue to apply for grant and award opportunities that serve our community if VCGI were transitioned inside state government. The organization also has approximately \$180,000 in savings that could be used to reduce the impact of any budgetary shortfall in the short term.

Budget estimations for VCGI in Fiscal Year 2015, if the organization were to remain outside of state government, show a projected deficit of \$133,020. If the organization were to transition inside of state government there could be a projected savings of \$74, 087. This savings alone would reduce the projected deficit for FY 2015 to \$58,933, a significant reduction to the contracts and awards necessary for sustainability of the organization. Similar numbers are projected for FY 2016.

3. PROGRAMMATIC GOALS

VCGI is proposing to make this organizational transition in order to better focus its available resources toward accomplishing its statutory charge to;

1. Assure that all VGIS data is of high quality and is compatible with, useful to, and shared with other public-sector and private-sector data users;
2. Encourage the same high standards of quality and compatibility in other Vermont GIS cooperators;

3. Promote the efficient development and use of geographic information by agencies of the state, its political subdivisions, Vermont businesses and citizens;
4. And, facilitate the growth of commercial services within Vermont for the provision of spatial data, products, and services.

This proposed transition is not intended to change the role of any existing GIS resource managers or technicians within any of the state's agencies. This transition is intended to increase the availability of coordinating support resources for GIS in the agencies and for the public. Individual agency subject area experience and expertise is not replaceable with a generalized pool of external resources. Additionally, individual agencies need to retain direct control of critical business area support resources.

Nationally, experience has shown that without an organization charged with the responsibility of coordinating in-state government GIS resources, collaborative efficiencies will decline and significant opportunities for cost sharing will be missed. This is as true in Vermont as it is true in the remaining forty nine states.

VCGI's activities are directed by its enabling statutory language. The statutory language in turn informs the development of the organization's programmatic responsibilities. The organization then establishes more specific priorities within its Strategic Plan³.

Current Programmatic Responsibilities Linked to VCGI's Enabling Legislation

Programmatic Responsibilities	Link to Enabling Legislation ⁴
1. Geospatial data warehouse and catalog (archive of geospatial data and imagery)	122a(10), 123b(1), 123c(1,10)
2. Ensure data/imagery is in consistent format	122a(11), 123b(1), 123c(1,3), 123c(5)a
3. Ensure that all data/imagery has consistent metadata/documentation	122a(11), 123b(1), 123c(1,3), 123c(5)a
4. Distribute data 4.1. Make data available for free download 4.2. Provide method to search for data 4.3. Provide access to metadata/documentation	122a(10), 123b(1,4), 123c(1,2,3,10,), 123c(5)b
5. Develop and update data standards (with participation of VT GIS Community)	122a(1,4,5), 123b(1,2), 123c(1,3,4)

³ VCGI Strategic Plan 2012

<http://vcgi.vermont.gov/sites/vcgi/files/aboutvcgi/Strategic%20Plan%202012%20Final.pdf>

⁴ VCGI's Enabling Legislation

<http://www.leg.state.vt.us/statutes/fullchapter.cfm?Title=10&Chapter=008>

6. Provide technical support for geospatial data development and management	122a(3), 123c(1)
7. Design, develop, and deploy geospatial web services and applications	122a(2), 123b(3,4), 123c(1,2,10)
8. Provide data analysis technical support	123c(1)
9. Provide data management support (surface waters, sustainable energy, emergency management, imagery program)	123b(3), 123c(1,11)
10. Facilitate and support interagency collaboration, coordination and standardization relating to GIS software, systems, services and policy	122a(2,6), 123b(2,3), 123c(1,3,4,11)
11. Coordinate priority statewide data collection/management efforts	122a(3), 123c(1,11)
12. Coordinate and provide professional development and networking opportunities for GIS users at all levels	123c(1)
13. Coordination at regional and national levels	123c(1)
14. Promote awareness of GIS in other sectors (see customers listed above)	122a(2), 123b(2,3,4), 123c(1)
15. Respond to direct inquiries for information and resources	123c(1)
16. Utilize Return On Investment (ROI) analyses to document cost/benefits of GIS	122a(8), 123c(1,6)
17. Leverage external financial resources (eg: grants, contracts) to help support VCGI's core mission and other	122a(9), 123c(1)
18. Help agencies draft RFPs and select contractors	123b(4), 123c(1,8)
19. Promote Private Sector consulting opportunities	123c(1,7)
20. Grant, contract, MOU, SLA, and any other inter-organizational agreement management	123c(7)
21. Budget, personnel, Orthoimagery Program and general business area management	123c(7)

Transitioning the organization to within state government would allow for inter-agency access to its extensive data management and data distribution expertise. In the long term, it is anticipated the organization's data coordination and management expertise will be increasingly utilized in the development of Open Data solutions and associated governance within Vermont state government. Additional data management responsibilities could also be added to the organization, such as Census Data, a critical state resource requiring the attention of better coordination.

Stakeholders

For the last 15+ years VCGI has provided GIS coordination, education and data management support to many agencies, organizations, academic institutions as well as the public. Below is a listing of these stakeholders followed by a list of the Products and Services provided by VCGI to the stakeholder community.

State Government

- Office of the Governor
- Office of the Lt. Governor
- Office of the Secretary of State
 - Archives and Records Administration
- VT Legislature
 - Joint Fiscal Office
 - Legislative Council
- Agency of Administration
 - Dept. of Libraries
- Agency of Natural Resources
 - Dept. of Environmental Conservation
 - Dept. of Fish and Wildlife
 - Dept. of Forests Parks and Recreation
 - Natural Resources Board
- Agency of Transportation
 - Program Development Dept.
 - Operations Dept.
 - Planning and Intermodal Development Dept.
- Agency of Agriculture, Food, and Markets
- Agency of Commerce and Community Development
 - Dept. of Economic, Housing, and Community Development
 - Dept. of Tourism and Marketing
- Agency of Human Services
 - Dept. for Children and Families
 - Dept. of Corrections
 - Dept. of Health
- Department of Buildings and General Services
- Utilities
- Renewable Energy Installers and Developers
- Land Owners

- Department of Public Safety
 - State Police
 - Emergency Management
 - Fire Safety
 - Criminal Justice Services
 - Homeland Security
- Department of Public Service
 - Energy Efficiency
 - Engineering
 - Planning
 - Telecommunications
 - Public Service Board
- Department of Education
- Department of Taxes
 - Property Valuation and Review
- Enhanced 911 Board
- Historical Society
- State Colleges
- National Guard
- Municipalities
 - Planning Commissions
 - Town Listers
 - Conservation Commissions
 - Public Works

Private Sector

- Surveyors
- Foresters
- Schools
- Environmental Consultants
- Realtors
- Appraisers

Non-Profits

- Vermont Sustainable Jobs Fund
- Vermont Land Trust
- Regional Planning Commissions
- Vermont Housing and Conservation Board
- Nonprofits of all kinds

Academic Institutions

- University of Vermont
- Green Mountain College
- Middlebury College
- VT Technical College
- Lyndon State College
- VT K-12 Schools

Federal Agencies

- US Geological Survey
- US Dept. of Agriculture
 - Farm Services Administration
 - Natural Resources Conservation Service
- US Fish and Wildlife Service
- US Dept. of Transportation
- Federal Emergency Management Agency
- Federal Communications Commission
- US Census Bureau
- US Environmental Protection Agency

Products and Services Provided by VCGI

(note: all or most of these products and services are used by the state government customers identified above)

- ❖ Public data access - geospatial data warehouse (Archive of geospatial data and imagery)
- ❖ Ensure data/imagery is in consistent format
- ❖ Ensure that all data/imagery has consistent metadata/documentation
- ❖ Manage data distribution platform
 - Make data available for free download
 - Coordinate evaluation and selection of data distribution platform
 - Provide method to search for data
 - Provide access to metadata/documentation
- ❖ Develop and update data standards (with participation of VT GIS Community)
- ❖ Provide data development technical support
- ❖ Assist with the design, development, and deployment of geospatial web services and applications
- ❖ Provide data access/analysis technical support
- ❖ Provide data management support (surface waters, sustainable energy, emergency management, imagery program)
- ❖ Facilitate and support interagency collaboration and coordination, (eg: Enterprise GIS Consortium activities)
- ❖ Identify data and resource (eg: servers, software, etc) sharing opportunities
- ❖ Coordinate statewide data collection/management efforts when needed
- ❖ Coordinate and provide professional development and networking opportunities for GIS users at all levels
- ❖ Coordination/networking at regional and national levels
- ❖ Promote awareness of GIS in many sectors (education, nonprofits, small business, gov't, see customers listed above)
- ❖ Provide direct access to mapping info through VT Interactive Map Viewer
- ❖ Respond to direct inquiries for information and resources
- ❖ Map production support

4. BENEFITS AND JUSTIFICATION

Transitioning the organization to within state government and reducing the business costs for the organization will markedly improve its ability to provide sustained support for GIS coordination within the state. Without VCGI there would be no state entity tasked with the responsibilities of leading GIS resource sharing and coordination. Several of the programmatic responsibilities that have primarily been implemented through the coordinating efforts of VCGI result in the development of standards that support consistent formatting, metadata, and documentation of GIS data.

Direct Benefits to Stakeholders

Federal and state governments generally recognize the following advantages in having a healthy and sustainable GIS coordinating organization;

1. Reduce the cost of geographic information gathering and access by state, regional, and local government agencies – a single coordinating organization eliminates the need to search external resources and supports a single sharing mechanism
2. Encourage inter-agency and inter-organizational collaboration and integration of resources, including collaboration among federal, state, regional, and local organizations – Collaboration coordination ensures all participants receive an opportunity to benefit.
3. Provide increased access to technology and information statewide with an emphasis on rural areas where resources for independent data development is limited.
4. Improve opportunities for business development at the local level and increase the state's competitiveness and position in major economic development initiatives of statewide significance.
5. Support effective emergency planning and operations and the ability and efficiency of state and local response to emergencies with a resulting savings of life and property
6. Enable better planning and more efficient provision of citizen services in the public health, education, housing, and employment support areas
7. Provide a more efficient and cost-effective means for managing, maintaining, and tracking the state's public infrastructure and assets—roads, utilities, public land, and all public real property
8. Manage the state's environmental quality and natural resources to sustain economic viability, enhance tourism, and to provide a resource to improve the quality of life of Vermont's citizens
9. Support the state's business community and encourage public-private partnerships for information technology initiatives.

The Federal Office of Management and Budget in Circular A-16 defines spatial data as a ‘capital asset’ and further states “A coordinated approach for developing spatial data standards that apply to collecting, maintaining, distributing, using, and preservation of data will improve the quality of federal spatial data and reduce the cost of derivative products created by federal and non-federal users.”⁵

The creation of accepted GIS data standards could not be done without the generous participation of the larger GIS community. However, standards development would occur only rarely without the initiation and coordinating resources provided by a state coordinating body such as VCGI..

A sustainable geospatial coordinating division supports the business needs of the broader GIS community, including state agencies, city and county governments, federal agencies, regional agencies and special districts, utilities, private companies, the academic community, not-for-profit organizations, and the general public.

Indirect Benefits to Stakeholders

The value of VCGI’s products and services goes beyond the direct support of agency, town or public needs. As a state resource engaged in expanding the utility of GIS technology, VCGI’s activities increase the effectiveness of existing agency programs and reduce the cost of implementing these programs. For example, as the state provides support to local disaster or economic development needs the implementation of these programs requires geospatial resources to develop and visualize potential solutions.

Without coordinated GIS resources towns and private contractors will often individually collect the necessary data, adding to the cost, or go without and reduce the effectiveness of the effort. To be sure, VCGI is not the only GIS resource in the state. There is an extensive GIS community both in and out of Vermont state government. There will be GIS data available at some quality level even without a coordinating organization. However, the value of consistent and authoritative data that results from coordination has a significant positive impact on program cost and effectiveness. Even if an agency does not use geospatial resources at a high level internally, their stakeholder community most likely does.

The value of a coordinated GIS community is not limited to planning efforts. State and local programs that support disaster response, natural resource management, public infrastructure management, human services distribution, agricultural resource management, alternative energy solutions and many others all have increased efficiencies when indirectly supported by robust, coordinated GIS resources.

VCGI's products and services foster efficiencies, enhance capabilities, and minimize costs indirectly by:

- Reducing redundant data collection and management.

⁵ Coordination of Geographic Information and Related Spatial Data Activities, Office of Management and Budget, Circular A-16, Revised August 19, 2002, http://www.whitehouse.gov/omb/circulars/a016/a016_rev.html

- Enabling one-stop access to data created by multiple organizations via data downloads and web services eliminating the need for other public organizations to create data access portals.
- Providing professional development opportunities for which costs are shared.
- Sharing software and hardware costs across state agencies, rather than each agency paying individually.
- Sharing of technical expertise, which allows all agencies to benefit from professional development through informal networking as well as paid training.

Every stakeholder that is active in the state's GIS community benefits from efficiencies that result from the active coordination of a valuable information resource.

5. MEETING PUBLIC NEEDS

VCGI's existing statutory language instructs that VCGI has GIS resource and coordination responsibilities to more than just state agencies. VCGI is responsible for broad support to the private sector, academic institutions, towns and regional entities and the general public. Historically, VCGI has treated all of those non-state entities as being equally deserving of our resources as state entities. VCGI considers these non-state partners to be critical to the success of our coordination activities. The real success of coordination activities is judged by the breadth of the community of those that actively participate.

Critical to the continuation of that broader support has been VCGI's receipt of a state appropriation as directed through the state's Property Transfer Tax distribution formula. That appropriation is provided directly to VCGI. It is not included as part of any other agency's appropriation and as a result is not subject to agency reprioritization. Each year VCGI's Executive Director is required to defend the use of the appropriation and propose uses for the next year's appropriation. This yearly responsibility for the Executive Director to report directly to the legislature for the use of the appropriation will go a long way in ensuring existing services continue to be supported for non-state entities. Because of that, the yearly appropriation should be retained. VCGI management and employees have always respected the intent of the organization's statutory requirements by creating programs that support involvement of the broader community.

6. COST MODEL

Currently VCGI receives a yearly appropriation of \$378,000. It is possible this appropriation could be increased, but there is no expectation that will occur. On a yearly basis the state appropriation provides approximately 60% of the revenue necessary for the organization to continue at current levels. The remaining 40% of the revenue necessary to meet budgetary needs is provided through additional grants, contracts, and awards. These grants contracts and awards continue to be predominately sourced from state and federal opportunities and that is unlikely to change in the near future. For the past 13 years, VCGI has consistently met the yearly business expense requirements of the organization by supplementing revenue through grants and contracts while at the same time steering clear of competing with the private sector for business. This has not always been an easy task, but the organization is respected for its past efforts at non-competition.

Budget Analysis – VCGI Standalone and As Part of State

	FY14 Budget (Proposed)		FY15 Standalone		FY15 As Part of State	
INCOME						
State of VT Appropriation	378,700	378,700	378,700	378,700	378,700	378,700
Project Income	810,000	925,000	375,000	375,000	275,000	275,000
Imagery Income	2,000	2,500	2,500	2,500	2,500	2,500
Interest & Miscellaneous Income	2,000	1,100	-	-	-	-
Other Income	9,000	10,500	10,500	10,500	10,500	10,500
TOTAL INCOME	1,201,700	1,317,800	766,700	766,700	666,700	666,700
DIRECT COSTS						
Direct Labor	235,129	241,436	241,436	243,335	241,436	243,335
Payroll Taxes & Benefits	109,335	104,149	104,149	96,568	104,149	96,568
Project Costs	50,000	33,310	33,310	33,310	33,310	33,310
Imagery Program Costs	21,000	12,500	12,500	12,500	12,500	12,500
General Direct Costs	18,000	17,500	17,500	17,500	17,500	17,500
Outreach Costs	15,500	14,700	14,700	14,700	14,700	14,700
Subcontract Costs	400,000	525,000	100,000	100,000	-	-
TOTAL DIRECT COSTS	848,964	948,595	523,595	517,913	423,595	417,913

OPERATING COSTS						
Indirect Salaries & Wages	144,111	152,322	152,322	149,141	152,322	149,141
Payroll Taxes & Benefits	58,365	56,228	56,228	59,187	56,228	59,187
Rent	31,693	31,404	31,718	22,000	32,035	22,220
Depreciation	10,575	16,000	16,000	16,000	16,000	16,000
Computer Support & Maintenance	18,000	15,748	15,748	15,748	15,748	15,748
Insurance	4,500	4,572	4,618	1,287	4,618	1,300
Professional Fees	52,250	65,900	67,877	18,941	69,913	19,509
Travel & Training	15,000	9,500	10,450	10,450	11,495	11,495
Office Expense	16,500	12,525	13,464	11,232	14,474	12,074
Utility Expense	4,500	4,000	4,200	-	4,410	-
Miscellaneous Expense	500	500	500	500	500	500
Telephone Expense	3,200	3,000	3,000	3,235	3,000	3,081
TOTAL OPERATING COSTS	359,194	371,699	376,125	307,720	380,743	310,255
PROJECTED NET INCOME (LOSS)	(6,458)	(2,494)	(133,020)	(58,933)	(137,638)	(61,468)
Projected Cost (Savings) to VCGI				(74,087)		(76,171)

VCGI's FY 2015 budget shows a projected loss of \$133,020 for the organization if it is to remain outside of state government. For FY 2015 the projected loss for VCGI, if it were to transition inside of state government is \$58,933. Similar numbers are projected for FY 2016.

The projected loss of grant funding for FY 2015 is a substantial financial challenge and it is made more difficult by the organization's position outside of state government. However, pursuing grants and contracts is not the only path to meeting budgetary demands. By reducing business operating costs VCGI should be able to reduce total expenses by approximately \$74,000. This reduction should also slow the yearly increase of business expenses for the organization going forward.

It is equally important to remember while grants and contracts support the sustainability of the organization, they do take resources away from our coordination activities and reduce our effectiveness to the community. It is possible that VCGI would be able to increase revenue through more grants, contracts and awards. However, the constant need to work on more and more revenue producing grants and contracts reduces the time available for employees to do work in direct service to the agencies. Years ago the need for VCGI to have grant revenue to meet budgetary needs was manageable and did not significantly detract from the organization's mission. Now however, as expenses have increased and VCGI's appropriation has remained relatively constant the need for grants is dominating the organization's yearly goals and there is less time for all employees to focus on state and public needs.

Future Revenue Estimations – Fiscal Year 2015

Grants, Contracts and Awards – It is risky to project the availability of grants and awards with any confidence. The health of the economy plays a large part in the availability of grants and awards. Over the years VCGI has maintained a steady stream of grants and awards with the recent NTIA Broadband grant being the largest of them. Following on the Broadband grant is the NTIA FirstNet grant which is in its early stages and will require GIS or mapping support in a similar manner as to what was provided for the Broadband grant.

VCGI must continue to apply for grant and award opportunities that are appropriate for our organization and will serve the information needs of the community. Grant and award opportunities pop up quickly and generally don't offer a lot of lead time in preparation. Current Fiscal Year 2015 estimated revenue from grants may range between \$250,000 and \$300,000 with approximately \$100,000 for subcontractor expenses.

VCGI contracts within state government almost exclusively because of our desire not to compete with the private sector. We provide GIS and mapping services on a task by task basis to state entities as they request our support. Recently, we have had contracts or Memorandums of Understanding with VT Emergency Management, VTrans, VT Sustainable Jobs Fund, E911, Regional Planning Commissions, and the Dept. of Agriculture.

VCGI also offers web based geospatial services at a monthly rate for those agencies and departments that do not have the resources to create and maintain their own. We plan on increasing the number and types of those services in the future depending upon the needs of the community. The following services are being considered;

- Enterprise Geodatabase hosting services (SQL/SDE)
- ArcGIS Server hosting services - web map services, image services, geocoding services, feature edit services, geoprocessing services, OGC compliant services
- Metadata creation and management services
- Open GeoData cataloging, warehousing, and distribution services
- Web app development using Geocortex Essentials
- Mobile app development using Geocortex Essentials

Direct charging to an agency for these services can be counter-productive, however. Because of the need to justify and redirect funding from existing program budgets, agencies can be reluctant to take on the additional expense even when the operational advantages are understood.

7. ORGANIZATIONAL APPROACH

If VCGI personnel move inside state government, the organizational structure and staff responsibilities should remain much the same as they are now. Staffing levels should remain the same. Existing personnel have the qualifications and experience necessary to continue the organization within state government. However, continued training should be a high priority for staff as training is a critical element of maintaining a quality technology staff. Organization management should report directly to upper level management in the agency to ensure continued agency awareness of GIS community needs and protect against the diminution of programmatic priorities.

Over 27 states⁶ have placed responsibility for their designated GIS coordinating organization within that state's Technology Management Office. Additionally, over 27 states⁷ have a Geographic Information Officer (GIO) or equivalent position, with over 70% of them reporting directly to the state CIO.

From the standpoint of programmatic similarities, mission overlap and culture match, the most appropriate candidate state entity to be responsible for taking on VCGI's current mission is the VT Department of Information and Innovation (DII). DII has a technology focused mission and information management responsibilities. Being within DII would enable much smoother integration and support of geospatial technology development for the state. DII also provides shared technology resources to state agencies. The benefits of providing a well-coordinated GIS resource in the state are well documented in Sections 2 through 4 of this document. As GIS needs increase across agencies in the state, a shared, integrated and sustainable GIS coordinating organization becomes more critical to the achievement of these benefits.

⁶ National States Geographic Information Council (NSGIC) Survey, 2010

⁷ NSGIC State Government Geospatial Maturity Assessment, 2013

8. TRANSITION PLAN

The most significant aspect of this potential transition is that it will be unusual. So far, no one has come forward to provide a previous example of transitioning an existing non-profit organization to within state government. There will be unforeseen problems, but a lot of up-front consideration has been given to the transition by VCGI management and the VCGI Board. While unusual, this potential transition is not a rushed effort and it can be successful.

All of the final materials that were created as a result of that strategic planning effort are available on the VCGI website and have been included either in the body of this report or as an addendum. VCGI management testified to the House Appropriations Committee and the House and Senate Government Operations Committees during the FY 2014 legislative session on the need for this change. These Committees raised many good points and questions that were addressed in this report.

Based upon the questions of the Legislative Committees and our own knowledge of what needs to occur if this transfer is to be successful; VCGI management proposes the following transition plan and supporting timeline.

Personnel

Existing VCGI personnel have to be considered in this transition. The intention is to move VCGI personnel into equivalent state positions as full-time state employees with all standard benefits. They should receive salary equal to what they are currently paid, at the closest step and grade. While VCGI employees have not been full state employees or part of the collective bargaining agreement, they have certainly been working in service to the state during their tenure at the organization.

A fair and equitable transition for VCGI employees that appropriately respects their years of state service and respects the rights of current state employees needs to be determined. To that end, VCGI management has provided to VT Department of Human Resources Commissioner Kate Duffy VCGI's current personnel positions, and roles and responsibilities of the staff in order to initiate the process of resolving the employee transition. Draft legislation will be created that designates the state positions by step and grade for VCGI personnel in order to transition all existing employees into state government.

It was suggested by members of the VCGI Board of Directors that while there are many GIS professionals currently working at state agencies in Vermont the inclusion of six additional GIS technology professionals creates an opportunity to establish a GIS career path within Vermont state government. The creation of a GIS career path would not be required for the transition to be a success, but it is a common practice in other states and should be seriously considered.

Personnel Transition Tasks

1. Ongoing discussion with HR to resolve employee transition status. (Jan. 15 – May 15)
2. Final decision relating to existing employee status within state government. (May 6)
3. Notification of current employees as to plan for employee status changes. (May 6)
4. Transitioned employee orientation in state government. (Jul. 1 – Jul. 4)
5. Create GIS career path in state govt. (not required) (Mar. 1 – Sep. 1)

Assets and Facilities

Physical

VCGI's physical equipment is considered state property already, although it is not controlled by BGS. VCGI does not have a lot of physical equipment beyond standard office equipment and computer technology resources. VCGI currently uses the state data center for data storage needs and there should be no change in that approach. After transition of the organization it will be necessary to take VCGI's existing inventory of physical assets to BGS for them to be included in their asset control listing.

VCGI currently leases office space at 58 South Main St. Waterbury from Mayflower Management in Waterbury. There is no reason that lease cannot be maintained. However, a final decision on the location of the offices of the organization will be determined by agency management.

Physical Assets and Facilities Transition Tasks

6. Integrate VCGI's existing asset inventory into BGS asset inventory. (Jul. 1)
7. Final determination on lease agreement. (May 6)
8. Create moving plan and schedule if necessary. (May 6)

Financial

As of this writing VCGI currently has excess funds of approximately \$180,000 in its bank account. These funds have been deliberately accumulated over the years at the recommendation of our auditor to provide a financial buffer for the organization in times when contracts and grants are hard to come by. It is hoped those funds will be transferred to the agency receiving VCGI in order to 1.) Pay for VCGI specific business expenses that will occur after the transition and 2.) Continue to provide a financial buffer to support any revenue shortfalls that occur due to a short term shortage of grants and contracts. It is anticipated that the Vermont Department of Finance and Management will consult with the Legislature on this decision. All decisions relating to the final disposition of any excess funds as of the closure of VCGI as a corporation will be the responsibility of the Vermont Department of Finance and Management.

Business expenses relating to legal requirements of the corporation that will be necessary after the transition include completion of VCGI's required 2013 independent audit and retention of our Business Management contractor in order to provide support to the completion of that audit.

Financial Asset Transition Tasks

9. Decision by State Budget Office as to disposition of excess funds. (Jun. 30)
10. Begin transfer excess funds as directed. (Jul.1)
11. Prepare for 2013 independent Audit. (Jun. 6 – Aug. 1)
12. Support auditor on-site. (Jun. 6 – Aug. 1)
13. Receive audit, and distribute copies as required. (Aug. 30)

Services and Support

There should be no significant impact to VCGI's ability to provide its existing products and services to our stakeholders. Employee transitioning, if it is done fairly and equitably, should not result in significant employee turnover. If the current lease for space is retained, there will be no need to spend time relocating staff and facilities. Employee orientation into state government should not significantly impact employee availability.

Services and Support Transition Tasks

14. Continual assessment for service impacts resulting from unplanned transition activities. (Apr. 1 – Aug. 1)

Legal and Contractual

VCGI will have certain business responsibilities that must be accomplished before and/or after any transition of the organization. The organization has Federal grants and contracts that will, at minimum, require a change in the designation of the responsible organization. The business management of VCGI as a non-profit corporation will need to be changed to VCGI as a state entity with all contract business responsibilities being integrated into the business office of the Agency receiving VCGI. Because the legal status of the organization will be changing, there must be coordination with each individual grantor and contract management office to ensure the agreement can be retained and any necessary changes are made.

The Agency receiving VCGI will certainly have the necessary resources and experience to meet the business management needs of the incoming organization. However, there will be a need for the transitioned organization to retain the current Business Manager as a contractor to meet the audit preparation and support needs as explained above. The current Business Manager will also be a required resource in transitioning the assets and accounts to the receiving state agency's business office before and, for a short while, after the transition. When all close of business year activities are complete the current Business Manager will be released and all business management functions will be performed by agency personnel.

While this transition may be unusual there is no reason it cannot be accomplished with a little flexibility by all involved. It is critical to the organization the transition be as complete and as smooth as possible in

order to prevent disruption of services and continuity of delivery responsibilities for existing grants and contracts.

Legal and Contractual Transition Tasks

15. Identify all grants and contracts and create a plan to complete transitions. (May 6 – Jul. 1)
16. Notification of all existing grantors and contractors of the change. (May 6 – Jul. 1)
17. Complete necessary contractual changes and transfer program and business management responsibilities in-state. (Jul. 15)
18. Assess impact of transition, if any, to proposed budget. (Jan 16 – Aug 1)
19. Continued dialog with Board of Directors (Jan. 15 – Mid June)
20. Final Board of Directors Meeting (Mid June)

9. TRANSITION TIMELINE

The following timeline is created around the expectation that any legislation directing the transition of VCGI to become part of a state agency will be effective July 1, 2014. Any change to that schedule would require a re-evaluation and modification of the timeline. Each paragraph of Section 8 Transition Plan above identified specific transition tasks that will need to be accomplished. The label and number for each task will be used in creating the transition timeline. The assigned number does not designate criticality, i.e. task number 1 is not more critical than task number 4. The number is only used for labeling purposes. There has been no determination made on possible critical path items. All transition tasks are considered relatively equal in achieving the success of the effort.

10. RISK

Assessment of risk is an important aspect of business planning. The following tables provide a realistic overview of the transition and programmatic risk involved in this organizational change as proposed and includes possible mitigation steps. It should be remembered there are significant risks associated with taking no action. Valuable services will be eliminated or reduced. The biggest risk of inaction would be the reduced capacity of the state's critical GIS coordination organization. Making this organizational change as proposed would help ensure the continuity of VCGI's services to the community at current or greater levels.

Transition Risk Identification		
Personnel		
Risk	Description	Mitigation
Employee Morale	The employees at VCGI have undertaken this transition because they believe it is in the best interests of the organization and it will improve the organization's ability to meet its statutory goals.	Keep employees aware of the process and maintain transparency on decision making. Respect the many years of state service provided as employees of VCGI.
Physical Assets and Facilities		
Risk	Description	Mitigation
Delayed final determination on lease retention	Potential for unnecessarily hurried and inefficient move to occur.	Landlord needs to be notified in advance. Determination of lease retention needs to occur well before July 1, 2014.
Financial		
Risk	Description	Mitigation
Difficulty in providing support to auditor for on-site review	When the auditor is on-site in July the Business manager needs to have constant and immediate access to the organization's business records from the previous year by a knowledgeable representative. Moving those records prior to or during the on-site visit is not a reasonable option.	If a move is required, do not move facilities until September 1 to alleviate potential issues with completing the final audit.
Legal and Contractual		
Confusion with contractors as to the status of VCGI.	VCGI needs to be the source of all authoritative information about the potential move and stay in communication with all contractors. Confusion and possible damaged relationships could occur if contractors are left to find out the information from other sources.	VCGI needs to be as transparent as possible with contractors as the legislation moves forward. If the legislation passes, contractors must be contacted immediately and the transition process started according to plan.

Programmatic Risk Identification

Personnel		
Risk	Description	Mitigation
Reduction in Yearly Appropriation	For FY 2014 VCGI received an appropriation through the Property Transfer Tax formula of \$378,000 that was applied to activities that support the full range of VCGI statutory language. If that appropriation is reduced, the organization will have fewer resources to provide support to all stakeholders.	Additional funding opportunities will need to be researched to support the current level of service. Existing financial reserves may be used to supplement any shortfall until they are exhausted.
Insufficient Grants and Contracts to Supplement Yearly Appropriation	For FY 2014 VCGI needed additional grants and to retain staffing and service levels. If the organization is unable to get sufficient grants and contracts to supplement its appropriation the organization will have less resources to provide support to our stakeholders.	Less available funding through grants and contracts will require research for additional funding opportunities. Existing financial reserves may be used to supplement any shortfall until they are exhausted. Staff may have to be reduced.
Physical Assets and Facilities		
Risk	Description	Mitigation
Change in perception of organization by non-state office stakeholders	The public non-profit status of the organization provides the non-state office stakeholders an opportunity for their geospatial technology needs to be addressed with equal energy as are state needs.	Continuation of the VCGI state appropriation and organizational focus on outreach activities.
Change in public profile	Being within a state agency may lower the public profile of the organization due to being completely within a larger organization.	Continuation of the VCGI state appropriation and organizational focus on outreach activities.
Insufficient legislative or state administration support for the transition	The organization's yearly appropriation is small relative to agency budgets and the issue of transitioning the organization to within state government has a low priority during the legislative session.	Employees, the Board of Directors and stakeholders have to provide input to decision makers during the legislative session.
Programmatic		
Risk	Description	Mitigation
Loss of administrative and business flexibility	As a non-profit, all business agreements were the final responsibility of the Executive Director and could be executed quickly.	Process overhead will increase, but there will be better controls and more knowledgeable resource support.
Loss of control of programmatic priorities	If the organization were to move within an existing agency its programmatic priorities would be subject to the needs of a larger, more broadly focused organization.	This transition will provide an opportunity for the organization's programmatic priorities to be both expanded and more closely integrated into state government.
Employee turnover	This transition would be a significant change for current employees and current staff may want to pursue other opportunities as a result.	Provide as much information as possible to employees about any changes and involve them in discussions whenever appropriate
Change in Regional and National Geospatial Program and Policy Involvement	VCGI personnel are encouraged to actively participate in Boards, Committees, on state, regional, and national public program development in order to inform and be informed by these activities. Resources and priorities may change enough to limit these activities at their current levels.	Management, at all levels, needs to continue to place a high value on these activities.

11. SUMMARY

The organization is at a crossroads both financially and programmatically. Financially, the organization will need to make changes to its business model or it will have to significantly decrease staffing in the next few years. This situation could be alleviated with an increase in the appropriation, but that will only defer the financial situation for the short term and it will not eliminate the programmatic issues.

Historically, having VCGI outside of state government has produced confusion among state agencies. Each agency has a different perspective on what is an appropriate business relationship with VCGI. Outside of state government, town, academic, non-profit and private organizations seem to be comfortable with VCGI as a quasi-governmental entity, but they clearly consider VCGI to be influential in guiding government activities. The non-state community sees the value of VCGI to be predominately within both the data services we provide and our willingness to include them in the coordination of state GIS data efforts. The reaction of non-state entities to the discussion about moving VCGI to state government has overwhelmingly been accepting of the potential change, with serious concern that VCGI's public services should remain at levels that are equal or better than they are today.

Additionally, the role of geospatial technologies and the need for GIS program support is changing at the state and national levels. Effective GIS data distribution can be accomplished through the use of many available platforms and the values of governmental transparency are being expressed through the growth of Open Data. Within government, increasingly more data types are being freely distributed than just GIS data. The value of VCGI's experience with the principles of Open Data governance will have greater impact to the state if the organization is accepted as part of state government.

There are meaningful risks as identified in this document; however, these are known and manageable risks. VCGI will still be open to public evaluation as its statutory requirement to perform biennial public surveys is expected to remain intact. Also, as government moves toward greater transparency that risk will be lessened over time. Culturally, government is moving toward broader transparency values, many of which are already expressed in VCGI's existing statutory language. There is no doubt that moving VCGI into State Government will result in some challenges. However, with thoughtful planning and transparency the outcome can be positive.

There is a clear need for a change to VCGI's current status as a non-profit public corporation. As almost all of the 50 states have already realized, state and public interests are better served by having a healthy and experienced geospatial technology organization within state government.

Appreciation

Because of the limited time and resources available for the creation of this document it is important to recognize the contribution of the reports, summaries, plans, models and general documentation related to GIS coordination activities in other states. Concepts from many state and federal GIS analysis and ROI activities are included.

Tables of information and analysis specific to VCGI's mission were provided as created at the VCGI Board of Director's Strategic Planning effort in the Fall of 2012. Thank you to the VCGI Board members for their many hours, careful consideration and dedication to the principles of VCGI's statutory mission during the 2012 strategic planning effort. The Budget Analysis was coordinated with Joe Harris from the Dept. of Finance and Management. Information relating to VCGI's programmatic activities and stakeholder community as well as content recommendations were provided by the staff at VCGI.

12. ADDENDUMS

Business Model Discussion Materials

Business Model Options Discussed in VCGI Board Meeting on October 9, 2012

OPTION	DISCUSSION	DISPOSITION
Become subsumed within state government	<p>Each agency brings a unique funding issue. The chargeback/allocation model limits us to the AOA. AOT and ANR are not set up for a chargeback/allocation mechanism.</p> <p>Economy of scale could be realized through pooling resources (licensing, infrastructure, etc.). Allocation might fund non-agency resources needs while fees fund common agency resource development.</p> <p>DII is not the only option; The mission of the Department of Libraries is making information available. (No Statewide Service Fees)</p> <p>The VCGI board might evolve into a governance committee.</p>	<p>continue deliberation</p> <p>Support Full Mission or Reduced Mission?</p>
Reduce VCGI footprint and remain independent	<p>Funding would be simple but very limited.</p> <p>This option will not allow us to meet our core mission.</p> <p>Staff would be reduced until it is obvious that more staff is needed.</p>	dismissed

OPTION	DISCUSSION	DISPOSITION
	Considered outside of State Gov't, agencies wouldn't support.	
Reduce VCGI footprint and become part of state government	Titles would change. Function would remain the same. Inadequate services to state Reducing the footprint will not allow us to pursue what the state needs VCGI to be.	dismissed
Disband / Re-Distribute	The VCGI core needs would remain in the state. Agencies would not support broader mission. Some positions could be located within units with transparent supervision (functional reports).	dismissed
Merge into academia	Overhead would be high. Considered outside of State Gov't, agencies wouldn't support.	dismissed
Augmentation with another state	The approach would be similar to the approaches of Massachusetts and Connecticut. A statute allows one state to sell services at cost to other states. Not a proven business model. Issues with not hiring in Vermont would arise.	dismissed
Merge with RPCs	A state service center is a common framework. RPC's do not have a central organization.	dismissed
Merge with another State	Although merging organizations can work well on a local level (school districts), synergy is difficult to achieve on a higher level. This option can't be achieved in two years.	dismissed
Privatization	Can't compete with Private Sector Considered outside of State Gov't, agencies	dismissed

OPTION	DISCUSSION	DISPOSITION
	wouldn't support.	
Become independent state entity w/full state funding (such as E911 or VTA)	Legislature is not showing interest in increasing the property transfer tax.	dismissed
Remain VCGI, Inc. w/full state funding	Legislature is not showing interest in increasing the property transfer tax.	dismissed
Status Quo - State Appropriation 60%, Projects 40% (and increasing)	Sixty percent of funding is from appropriation and forty percent of funding is from projects. Project work decreases the amount of time we can appropriate to core services Costs are increasing.	dismissed

FY 2012 Core Services Analysis

Summary Of Core Services / Time Charged / Percent of Work

Discussed in VCGI Board Meeting on October 30, 2012

Core Services Summaries	Timesheet Category	Hours	Percent of Total	Percent of Core
1. Geospatial data warehouse and catalog (archive of geospatial data and imagery)	Data (develop, maintain, distribute)	5675	5%	11%
2. Ensure data/imagery is in consistent format				
3. Ensure that all data/imagery has consistent metadata/documentation				
4. Distribute data 4.1. Make data available for free download 4.2. Provide method to search for data 4.3. Provide access to metadata/documentation				
5. Develop and update data standards (with participation of VT GIS Community)	Standards Development	7.5	0%	0%
6. Provide technical support for geospatial data development and management	Support to VGIS	1099	10%	23%
7. Design, development, and deployment of geospatial web services and applications				
8. Provide data analysis technical support				
9. Provide data management support (surface waters, sustainable energy, emergency management, imagery)				

Core Services Summaries	Timesheet Category	Hours	Percent of Total	Percent of Core
10. Facilitate and support interagency collaboration, coordination and standardization relating to GIS software, systems, services and policy (e.g.: Enterprise GIS Consortium, VCGI Technical Advisory Committee)	State (Enterprise Support, TAC, EGC)	179.5	2%	4%
11. Coordinate priority statewide data collection/management efforts	No Service			
12. Coordinate and provide professional development and networking opportunities for GIS users at all levels	Outreach	1727.5	15%	34%
13. Coordination/networking at regional and national levels				
14. Promote awareness of GIS in other sectors (education, nonprofits, small business, gov't, see customers listed above)				
15. Respond to direct inquiries for information and resources				
16. Utilize Return On Investment (ROI) analyses to document cost/benefits of GIS	No Service			
17. Leverage external financial resources (eg: grants, contracts) to help support VCGI's core mission and other priorities (eg: broadband mapping, statewide LiDAR)	New Business Development	149.75	1%	3%
	Projects	3567.5	31%	

Core Services Summaries	Timesheet Category	Hours	Percent of Total	Percent of Core
18. Provide GIS consulting services in partnership with private sector	No Service			
19. Help agencies draft RFPs and select contractors	General, Orthophoto Program, and Legislature	859.98	11%	25%
20. Grant, contract, MOU, SLA, and any other inter-organizational agreement management		172.50		
21. Budget, personnel, Orthoimagery Program and business management		205.50		
22. Overhead	Administration (half), Sick, Holidays, Vacation and General	3009	25%	



**Report on the Joint Meeting of the
Mental Health and Health Care Oversight Committees
November 2013**

Mental Health Oversight Committee

Senator Sally Fox, Chair

Representative Ann Pugh, Vice Chair

Senator Claire Ayer

Representative Anne B. Donahue

Representative Mary S. Hooper

Senator Norm McAllister

Senator John Rodgers

Representative Kitty Beattie Toll

Health Care Oversight Committee

Senator Virginia Lyons, Chair

Representative Jill Krowinski, Vice Chair

Senator Claire Ayer

Senator Sally Fox

Senator Jane Kitchel

Representative Francis "Topper" McFaun

Senator Kevin Mullin

Representative Anne Theresa O'Brien

Representative Christopher Pearson

Representative George W. Till

Prepared by:

*Catherine McLinn, Esq.
Legislative Council
State House, Montpelier, VT 05602
802-828-2231
kmclinn@leg.state.vt.us*

Table of Contents

I. EXECUTIVE SUMMARY	1
II. BACKGROUND AND STATUTORY AUTHORITY	1
III. SUMMARY OF COMMITTEES' ACTIVITIES	2
IV. FINDINGS AND RECOMMENDATIONS	2
A. Evaluating Need for Level 1 Capacity	2
1. Hospital Census	3
<i>a. Level 1 Census at Participating Hospitals</i>	3
<i>b. Non-Level 1 Hospital Census</i>	5
2. Census of Community Supports and Services	6
<i>a. Secure Residential Recovery Facility Census</i>	6
<i>b. Census at Intensive Residential Recovery Facilities</i>	6
<i>c. Census at Operating Crisis Bed Programs</i>	7
<i>d. Waitlist for Nonresidential Services at Designated Agencies</i>	10
3. Wait Times for Level 1 Placement	10
4. Recommendations of the Committees	13
<i>a. Projected Level 1 Census Need</i>	13
<i>b. Budgetary Considerations</i>	14
B. Vermont Psychiatric Care Hospital	14
1. Status of Hospital Construction	14
2. Hospital Staffing	14
V. APPENDICES	17
Appendix 1: 2013 Acts and Resolves No. 50, Sec. E.314.2	17
Appendix 2: Witness List	19

I. EXECUTIVE SUMMARY

In November 2013, the Mental Health Oversight Committee and Health Care Oversight Committee (Committees) met to discuss the capacity of the State's level 1 mental health system and to make recommendations on both the number of personnel needed at the new Vermont Psychiatric Care Hospital and whether the General Assembly overestimated the number of beds needed at the new hospital. The Committees make the following recommendations to the Joint Fiscal Committee:

- The General Assembly should fully fund the 25-bed Vermont Psychiatric Care Hospital
- The Department of Mental Health should prepare and present a plan to the committees of jurisdiction regarding the opening of the Vermont Psychiatric Care Hospital prior to the budget adjustment process
- The Vermont Psychiatric Care Hospital should be completely operational with all 25 beds by July 1, 2014 or as soon as possible
- The General Assembly should develop contingency plans in case the need for overflow beds in the level 1 system arises
- The Department of Mental Health should develop specific plans and timelines for the hiring and training of Vermont Psychiatric Care Hospital employees, which should commence immediately to ensure staff are ready for patients when construction of the new facility is complete
- Any revisions to its original staffing proposal should be presented by the Department of Mental Health to the committees of jurisdiction once it has conducted a review of national standards and protocols

II. BACKGROUND AND STATUTORY AUTHORITY

Vermont's mental health system provides services to over 28,000 adults and children, ranging from acute inpatient hospitalization to noncategorical case management and peer services. The General Assembly redefined its vision for the system during the 2012 legislative session through its passage of Act 79 (An act relating to reforming the mental health system). Prior to the start of that session, the Vermont State Hospital was devastated by Tropical Storm Irene, leaving the State's mental health system in crisis. The General Assembly used the devastation of the Vermont State Hospital as an opportunity to transition from a highly centralized system of care to a decentralized system. After years of underfunding community programs designed to divert patients from institutionalization, the General Assembly invested money in more crisis and intensive residential recovery beds, outpatient services, and peer supports.

While Act 79 authorized the creation of a 25-bed psychiatric hospital, it was widely recognized that the necessary number of level 1 beds would not be known until various community service investments had taken effect. In recognition of this, the General Assembly approved language in 2013 requiring the Committees to review the mental health system and determine if 25 level 1 beds at the Vermont Psychiatric Care Hospital were necessary or whether some lesser amount would suffice. (*See Appendix 1: 2013 Acts and Resolves No. 50, Sec. E.314.2.*) Act 50 requires that this report containing the Committees' recommendations be submitted to the Joint Fiscal Committee on or before December 15, 2013. The context in which the Committees present their

recommendations assumes that there will be no reductions in the community system, as its existence is absolutely essential to keeping the need for hospital beds in check.

In 2012, the General Assembly believed that strengthening the community system would allow the State to reduce the number of level 1 beds in the mental health system. Members hoped that because additional, better coordinated community services were available that wait times for level 1 beds would no longer exist. However, the Committees do not have enough data to show which community programs warrant a greater investment and which do not. Additional information is needed on the number of individuals who have been turned away from voluntary hospital beds to complete this assessment.

The mental health system is fragile. There are still too many people waiting too long in emergency departments or correctional facilities for level 1 admissions. Many new programs established by Act 79 do not have sufficient staff due to low pay or the need for specific qualifications. The treatment of mental health patients is challenging and there is a limited pool of experienced or qualified psychiatric technicians, psychiatric nurses, social workers, and psychiatrists able to do this work. Finding bed vacancies in “real time” is still not possible. The Committees believe that the General Assembly must maintain its commitments to fund current programs, otherwise the need will present itself in more restrictive and expensive settings.

III. SUMMARY OF COMMITTEES’ ACTIVITIES

The Mental Health Oversight Committee is composed of senators who serve on the Committees on Health and Welfare, on Appropriations, and on Institutions, and representatives who serve on the Committees on Human Services, on Appropriations, and on Corrections and Institutions, as well as one member from each body chosen “at large.” (2006 Acts and Resolves No. 215, Sec. 293a.) The Mental Health Oversight Committee has been hearing testimony on the level 1 system at its monthly meetings.

The Health Care Oversight Committee is composed of representatives who serve on the Committees on Human Services, on Health Care, and on Appropriations, and senators who serve on the Committees on Health and Welfare, on Finance, and on Appropriations, as well as two members from each body chosen “at large.” (2 V.S.A. § 851.)

The Committees convened on November 8, 2013 to hear testimony from a number of stakeholders, including the Department of Mental Health and various mental health care providers. (See Appendix 2: Witness List.) The Committees devoted much of their time to understanding how existing capacity in the State’s mental health system is being utilized and whether any system trends are beginning to emerge.

IV. FINDINGS AND RECOMMENDATIONS

A. Evaluating Need for Level 1 Capacity

Act 50 tasked the Committees with evaluating “the capacity needed to treat patients in the care and custody of the Commissioner of Mental Health.” (2013 Acts and Resolves No. 50,

Sec. E.314.2(a)(1).) In order to conduct such an evaluation, the Committees were directed to consider census trends within the level 1 system of care. The Committees reviewed various data points provided by the Department of Mental Health and used these data points to draw conclusions about the need for level 1 hospital beds. The Committees determined that the term “census trends” was a misnomer for the data provided as the data did not cover a significant enough length of time so as to be considered a trend. Instead, the Committees’ conclusions are based on specific points in time over fiscal years 2013 and 2014.

The Committees further determined that evaluating the capacity needed to treat patients in the care and custody of the Commissioner required a look at the entire mental health system, not only the existing level 1 system. For that reason, the Committees discussed and present in this report data pertaining to the capacity of various community resources.

1. Hospital Census

a. Level 1 Census at Participating Hospitals

There are currently four hospitals participating in Act 79’s “no refusal system”: Brattleboro Retreat, Rutland Regional Medical Center, Fletcher Allen Health Care, and Green Mountain Psychiatric Care Center. Table 1 below was included in the Department of Mental Health’s November 2013 monthly report to the Committees. It shows the number of level 1 beds for which the State contracted at each facility and the number of beds used by patients in the care and custody of the Commissioner above that agreed-upon number.

The State currently contracts for 14 beds at the Brattleboro Retreat. Table 1 illustrates that the Retreat regularly admits between two to six additional involuntary patients. The Committees believe this figure could be skewed downward due to the fact that the Retreat was encouraged not to take additional “overflow” patients when its accreditation by CMS was in jeopardy.

The State currently contracts for six beds at the Rutland Regional Medical Center. Table 1 illustrates that the hospital regularly admits one to four additional involuntary patients.

The State currently contracts for seven beds at Fletcher Allen Health Care. Table 1 illustrates that the hospital admitted involuntary “overflow” patients in four months during the past calendar year.

The Green Mountain Psychiatric Care Center contains a total of eight beds. Table 1 illustrates that the hospital is regularly under capacity by one bed. However, the Committees heard testimony that the last bed is often not filled because the level of acuity at the hospital makes it impossible to accept additional patients. The Committees note that it is a generally acceptable practice in the mental health community that not all facilities operate at 100 percent occupancy due to the need to accommodate various combinations of patients and acuity levels. The system is designed to meet the needs of patients at all levels of clinical status.

TABLE 1

Legislative Report to Mental Health Oversight Committee and Health Care Oversight Committee
Level 1 Inpatient Utilization: Statewide and By Hospital

SYSTEM TOTAL	2012						2013											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct		
Total Level 1 Beds	27	27	27	27	27	27	35	35	35	35	35	35	35	35	35	35		
Average Daily Census	15	19	23	25	24	24	29	29	32	37	45	44	38	39	39	35		
Total Level 1 Admissions this Month	23	17	9	25	13	21	22	13	20	22	26	10	19	18	11	9		
Level 1 Admissions to Non-L1 Units	-	-	-	-	-	-	-	-	-	-	-	4	8	10	6	2		
Total Level 1 Discharges this Month	6	15	7	19	21	15	17	17	13	15	19	17	19	18	15	13		
Highest Census this Month	19	22	24	33	29	28	32	31	33	41	48	48	41	41	44	35		
Over/Under for Total Planned Beds	UNDER	UNDER	UNDER	UNDER	UNDER	UNDER	UNDER	UNDER	UNDER	OVER	OVER	OVER	OVER	OVER	OVER	OVER		
BY HOSPITAL																		
Brattleboro Retreat																		
Total Level 1 Beds	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14	14		
Average Daily Census	11	14	18	18	17	15	14	16	19	18	21	20	16	17	18	17		
Total Admissions during Month	16	13	8	13	9	14	7	9	10	3	11	3	3	4	2	4		
Level 1 Admissions to Non-L1 Units	-	-	-	-	-	-	-	-	-	-	-	2	1	2	2	1		
Total Level 1 Discharges this Month	4	9	6	12	14	11	7	7	7	5	7	8	3	3	3	5		
Highest Census this Month	13	16	19	21	20	17	16	18	20	20	22	22	17	18	18	18		
Over/Under for Total Planned Beds	UNDER	UNDER	OVER	OVER	OVER	OVER	OVER	OVER	OVER	OVER	OVER	OVER	OVER	OVER	OVER	OVER		
BHMC																		
Total Level 1 Beds	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6		
Average Daily Census	3	4	8	4	4	4	4	1	3	9	9	10	8	8	8	7		
Total Admissions during Month	7	4	1	5	1	4	2	0	5	8	8	2	4	5	5	3		
Level 1 Admissions to Non-L1 Units	-	-	-	-	-	-	-	-	-	-	-	0	1	2	2	0		
Total Level 1 Discharges this Month	2	6	2	3	8	1	5	2	0	4	8	2	6	6	5	8		
Highest Census this Month	5	8	8	5	5	6	6	3	8	11	11	11	10	9	8	8		
Over/Under for Total Planned Beds	UNDER	UNDER	UNDER	UNDER	UNDER	UNDER	UNDER	UNDER	UNDER	OVER	OVER	OVER	OVER	OVER	OVER	OVER		
CHMPC																		
Total Level 1 Beds	-	-	-	-	-	-	8	8	8	8	8	8	8	8	8	8		
Average Daily Census	-	-	-	-	-	-	5	5	4	4	6	6	7	6	6	7		
Total Admissions during Month	-	-	-	-	-	-	8	0	0	2	2	3	6	2	2	1		
Level 1 Admissions to Non-L1 Units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Total Level 1 Discharges this Month	-	-	-	-	-	-	2	2	1	0	1	3	4	4	1	2		
Highest Census this Month	-	-	-	-	-	-	7	8	4	5	6	8	8	7	7	7		
Over/Under for Total Planned Beds	-	-	-	-	-	-	UNDER	UNDER	UNDER	UNDER	UNDER	UNDER	UNDER	UNDER	UNDER	UNDER		
FAHC																		
Total Level 1 Beds	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7		
Average Daily Census	1	1	1	4	3	4	6	6	6	6	9	9	7	9	8	5		
Total Admissions during Month	0	0	0	7	3	3	5	4	5	9	5	2	6	7	2	1		
Level 1 Admissions to Non-L1 Units	-	-	-	-	-	-	-	-	-	-	-	2	6	7	2	1		
Total Level 1 Discharges this Month	0	0	0	4	4	1	3	6	5	6	3	4	6	5	6	3		
Highest Census this Month	1	1	1	5	4	5	8	8	8	8	11	10	8	9	11	8		
Over/Under for Total Planned Beds	UNDER	UNDER	UNDER	UNDER	UNDER	UNDER	UNDER	UNDER	UNDER	OVER	OVER	UNDER	OVER	OVER	OVER	UNDER		

Analysis is based on the Inpatient Tracking Spreadsheet maintained by the Department of Vermont Health Access (DHHA). Includes psychiatric hospitalizations with Level 1 Designations for hospitalizations occurring at adult inpatient psychiatric units. Level 1 designation is reserved for patients with risk of imminent harm to self or others and requiring significant resources. Over/Under for Total Planned Beds is computed using the difference between total level 1 beds and average daily census for each hospital and

b. Non-Level 1 Hospital Census

The Committees recognize that in addition to involuntary level 1 hospital admissions, there are also numerous voluntary hospital admissions that require resources from and add pressure to the State's mental health system. Table 2 below was included in the Department of Mental Health's November 2013 report to the Committees. It provides census data for voluntary inpatient admissions at designated hospitals for fiscal year 2013.

TABLE 2

Estimation of Voluntary Census at Inpatient Designated Hospitals

		FY 2013											
		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Statewide	Total Beds	134	134	134	134	139	139	147	147	147	162	157	157
	Total ADC	-	127	130	129	123	122	137	137	137	134	135	146
	Involuntary ADC	44	41	45	42	43	41	43	41	47	45	48	44
	% Voluntary	-	69%	67%	68%	69%	71%	71%	72%	68%	72%	70%	72%
	% Involuntary	-	31%	33%	32%	31%	29%	29%	28%	32%	28%	30%	28%
BR	Total Beds	-	72	72	72	72	72	72	72	72	75	75	75
	Total ADC	-	67	70	70	68	67	68	68	68	70	71	72
	Involuntary ADC	25	22	21	23	27	23	18	19	23	16	14	13
	% Voluntary	-	68%	69%	67%	61%	65%	73%	73%	67%	77%	80%	82%
	% Involuntary	-	32%	31%	33%	39%	35%	27%	27%	33%	23%	20%	18%
CVMC	Total Beds	-	14	14	14	14	14	14	14	14	14	14	14
	Total ADC	-	13	13	13	13	13	13	13	13	13	13	13
	Involuntary ADC	4	6	7	2	3	2	2	1	1	2	4	3
	% Voluntary	-	53%	50%	83%	80%	88%	87%	95%	94%	84%	69%	75%
	% Involuntary	-	47%	50%	17%	20%	12%	13%	5%	6%	16%	31%	25%
FAHC	Total Beds	-	27	27	27	27	27	27	27	27	27	27	27
	Total ADC	-	26	26	24	24	25	26	26	26	23	15	26
	Involuntary ADC	7	7	8	8	6	8	10	9	9	10	12	11
	% Voluntary	-	72%	69%	67%	76%	66%	62%	66%	67%	58%	21%	59%
	% Involuntary	-	28%	31%	33%	24%	34%	38%	34%	33%	42%	79%	41%
GMPC	Total Beds	-	-	-	-	-	-	8	8	8	8	8	8
	Total ADC	-	-	-	-	-	-	6	6	6	8	8	8
	Involuntary ADC	-	-	-	-	-	-	5	7	7	7	7	7
	% Voluntary	-	-	-	-	-	-	11%	13%	16%	13%	10%	18%
	% Involuntary	-	-	-	-	-	-	89%	113%	116%	88%	90%	82%
RRMC	Total Beds	-	16	16	16	16	16	16	16	16	28	23	23
	Total ADC	-	14	15	15	15	15	16	16	16	23	21	20
	Involuntary ADC	7	6	8	8	7	6	7	5	6	10	10	10
	% Voluntary	-	56%	49%	45%	52%	58%	57%	67%	64%	58%	54%	48%
	% Involuntary	-	44%	51%	55%	48%	42%	43%	33%	36%	42%	46%	52%
WC	Total Beds	-	10	10	10	10	10	10	10	10	10	10	10
	Total ADC	-	8	8	8	9	8	9	9	9	9	7	8
	Involuntary ADC	0	0	1	1	1	1	1	1	2	0	1	0
	% Voluntary	-	97%	88%	88%	89%	88%	89%	88%	80%	98%	82%	94%
	% Involuntary	-	3%	13%	13%	11%	13%	11%	12%	20%	2%	18%	6%

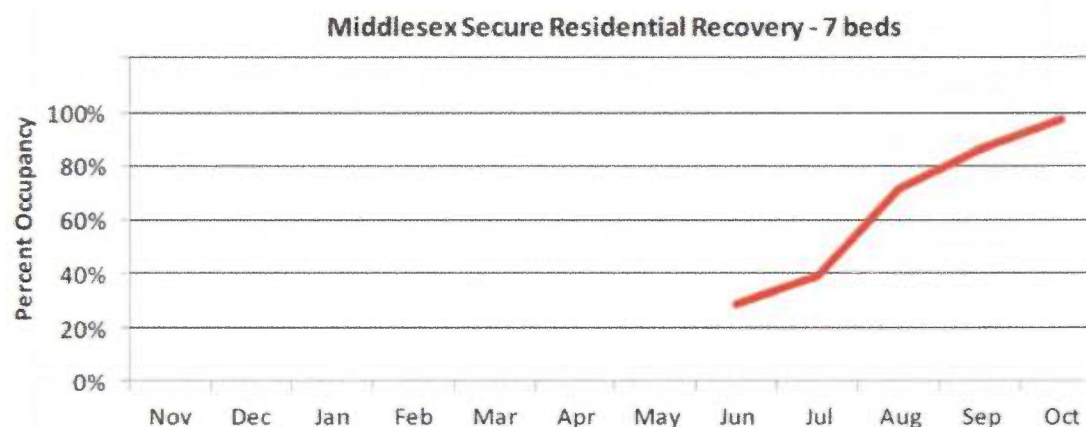
Based on data from the electronic bed boards for total average daily census and total beds available in conjunction with data maintained by DMH care managers regarding involuntary stays. Voluntary percentages are calculated by subtracting the percentage of Total average daily census divided by Involuntary average daily census from 100%. Data regarding Level 1 stays are maintained by the utilization review team. Cells in yellow indicate census discrepancies between reporting for electronic bed boards and involuntary stays maintained at the department.

2. Census of Community Supports and Services

a. *Secure Residential Recovery Facility Census*

Table 3 below was included in the Department of Mental Health's November 2013 monthly report to the Committees. It illustrates the occupancy rate of the one secure residential recovery facility since it opened in June 2013. The facility is designed to treat patients stepping down from a level 1 hospital bed and who need continued treatment in a secure setting. It contains eight beds. The Department of Mental Health reports that current utilization of the facility is 97.2 percent with an average daily census of nearly seven residents.

TABLE 3

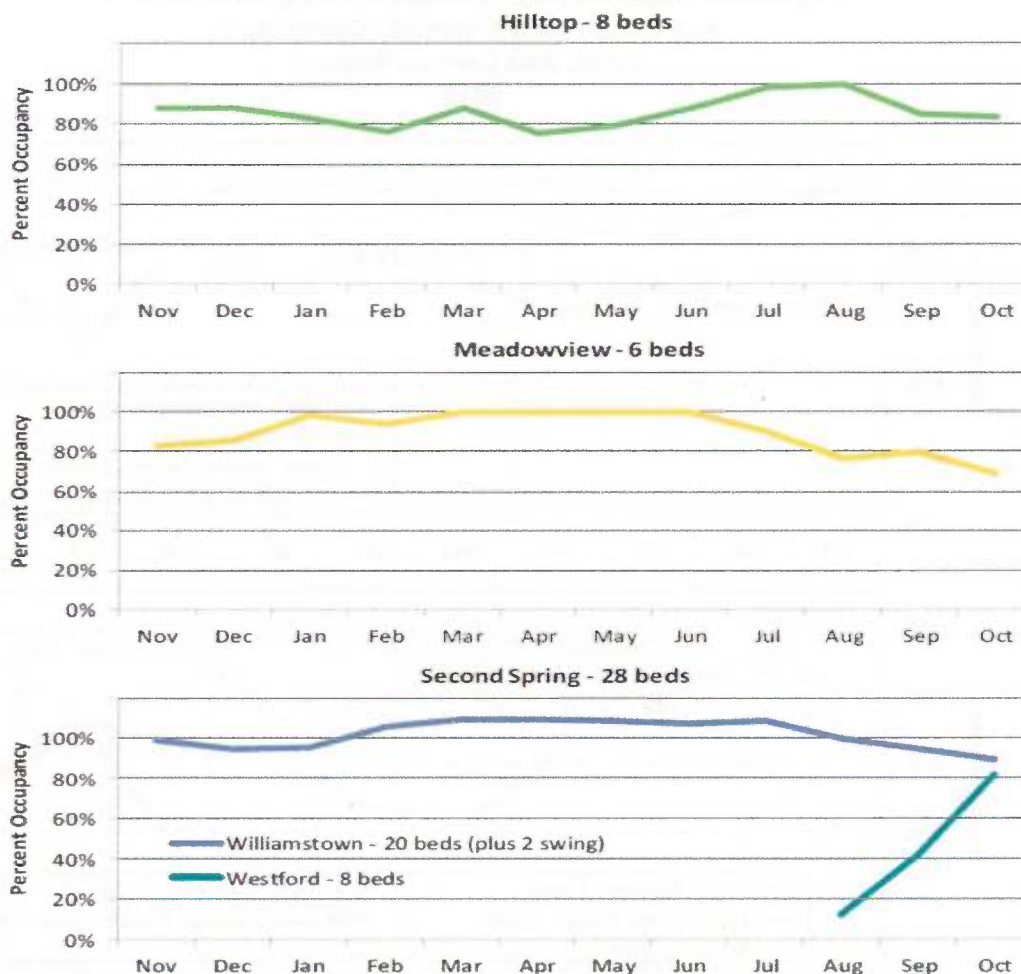


b. *Census at Intensive Residential Recovery Facilities*

Tables 4A through C below were included in the Department of Mental Health's November 2013 monthly report to the Committees. They depict the percent occupancy and census at intensive residential recovery programs. These facilities are often referred to as "step down beds" and are generally occupied by patients who are discharged from psychiatric hospital units. As a result of Act 79, the number of these beds increased by 16 to date. Occupancy at Hilltop House fluctuated between 80 and 100 percent over the course of the past six months. Meadowview began the calendar year at 100 percent occupancy, and beginning in June dipped to a steady 80 percent occupancy. Prior to the opening of Second Spring-Westford, the Second Spring facility in Williamstown had two crisis beds that could be used as intensive residential recovery beds on an "as needed" basis. This brought the total capacity of the Second Spring-Williamstown facility to a total capacity of 22 beds some days each month. This is reflected in Table 4C where the percent occupancy exceeds 100 percent. Since opening in August 2013, Second Spring-Westford has maintained nearly 80 percent occupancy.

TABLES 4A-C

**Intensive Residential Occupancy Report
November 2012- October 2013**



c. Census at Operating Crisis Bed Programs

Crisis beds are usually utilized as a means of diverting individuals from hospitalization by providing a safe setting where they can be stabilized. Some crisis beds are also used post-hospitalization. Act 79 enabled each county to have at least two crisis beds. Tables 5A through C and 6 below were provided by the Department of Mental Health at the request of the Committees at their joint November meeting. Tables 5A through C illustrate the percent occupancy rate for those crisis beds that were operational during the 2013 calendar year to date. The percent occupancy rate for each unit varies significantly due to the limited capacity of each program. For example, the majority of crisis bed units have two beds or less. Table 6 provides numerical data as to the number of beds at each crisis bed program and the percent occupancy rate each month to date during calendar year 2013.

TABLES 5A-C

**Legislative Report to Mental Health Oversight Committee
and Health Care Oversight Committee
Crisis Bed Census Report
2013**

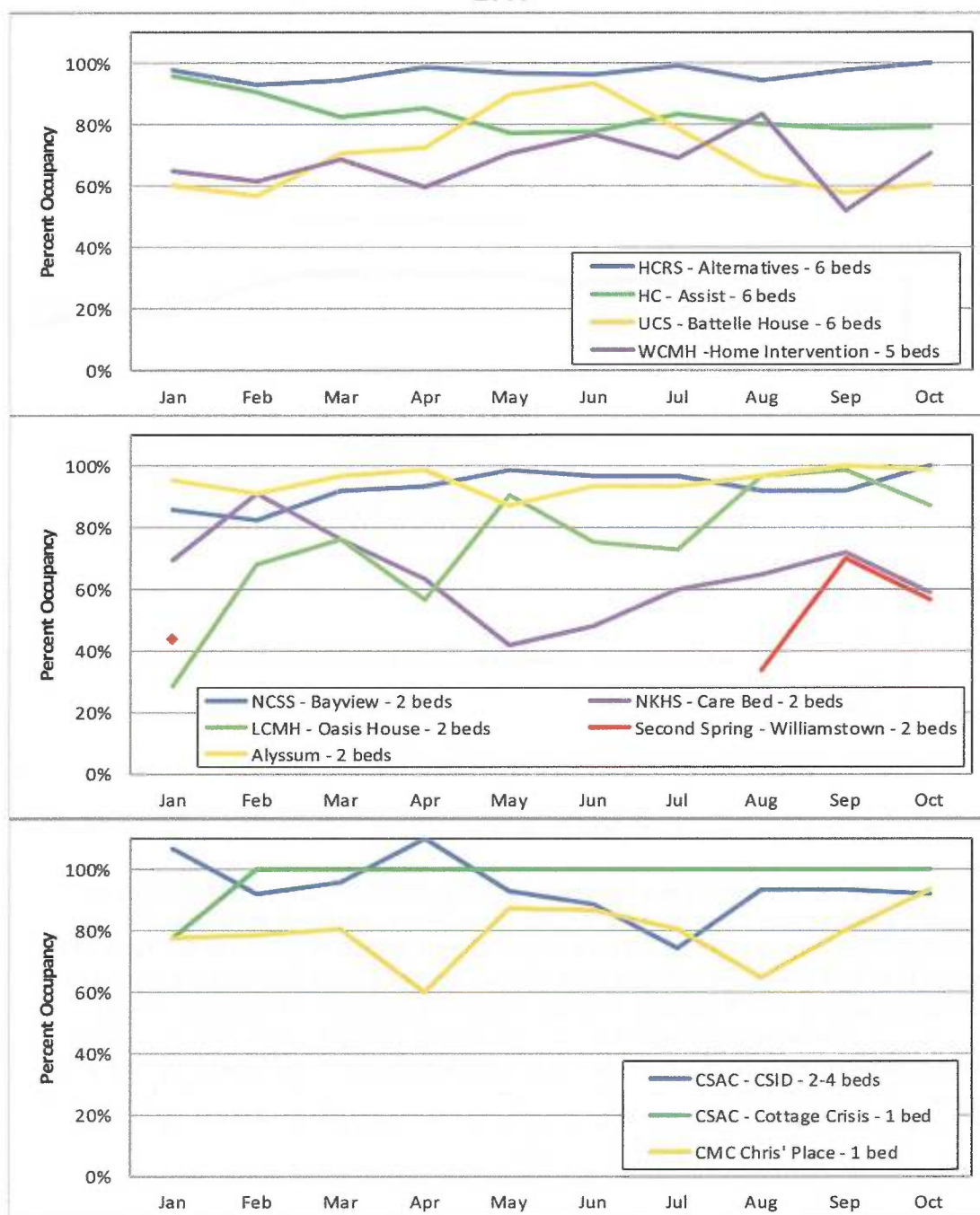


TABLE 6

**Legislative Report to Mental Health Oversight Committee
and Health Care Oversight Committee
Crisis Bed Census Report
2013**

	Adult Crisis Bed Units												
	HCRS Alternatives	HC Assist	UCS Battelle House	WCMH Home Intervention	NCSS Bayview	NGHS Care Bed	LCMH Oasis House	Second Spring Williamstown	Alyssum	CSAC CSID	CSAC Cottage Crisis	CMC Chris' Place	State Avg
January													
Total Beds	6	6	6	5	2	2	2	2	2	2	1	1	37
Monthly Avg.	5.87	5.74	3.6	3.23	1.71	1.39	0.57	0.88	1.9	2.13	0.77	0.77	27.48
Monthly % Occupancy	97.8%	95.7%	60.0%	64.5%	85.5%	69.4%	28.3%	43.8%	95.2%	106.5%	77.4%	77.4%	77.4%
February													
Total Beds	6	6	6	5	2	2	2	2	2	3	1	1	38
Monthly Avg.	5.57	5.43	3.39	3.07	1.64	1.82	1.36	-	1.82	2.75	1	0.79	27.68
Monthly % Occupancy	92.9%	90.6%	56.5%	61.4%	82.1%	91.1%	67.9%	-	91.1%	91.7%	100.0%	78.6%	79.2%
March													
Total Beds	6	6	6	5	2	2	2	2	2	3	1	1	37
Monthly Avg.	5.65	4.93	4.23	3.42	1.84	1.52	1.52	-	1.94	2.87	1.00	0.81	29.35
Monthly % Occupancy	94.1%	82.2%	70.4%	68.4%	91.9%	75.9%	76.0%	-	96.8%	95.7%	100.0%	80.6%	82.6%
April													
Total Beds	6	6	6	5	2	2	2	2	2	3	1	1	37
Monthly Avg.	5.9	5.11	4.34	2.97	1.87	1.27	1.13	-	1.97	3.3	1	0.6	28.8
Monthly % Occupancy	98.3%	85.2%	72.4%	59.3%	93.3%	63.3%	56.5%	-	98.3%	110.0%	100.0%	60.0%	81.8%
May													
Total Beds	6	6	6	5	2	2	2	2	2	4	1	1	39
Monthly Avg.	5.81	4.61	5.37	3.52	1.97	0.84	1.81	-	1.74	3.71	1	0.87	30.71
Monthly % Occupancy	96.8%	76.9%	89.4%	70.3%	98.4%	41.9%	90.3%	-	87.1%	92.9%	100.0%	87.1%	84.3%
June													
Total Beds	6	6	6	5	2	2	2	2	2	4	1	1	39
Monthly Avg.	5.77	4.04	5.6	3.83	1.93	0.96	1.5	-	1.87	3.53	1	0.87	31
Monthly % Occupancy	96.1%	77.4%	93.3%	76.6%	96.7%	48.2%	75.0%	-	93.3%	88.3%	100.0%	86.7%	85.4%
July													
Total Beds	6	6	6	5	2	2	2	2	2	4	1	1	39
Monthly Avg.	5.94	5	4.71	3.45	1.94	1.19	1.45	-	1.87	2.97	1	0.81	29.61
Monthly % Occupancy	98.9%	83.3%	78.5%	69.0%	96.6%	59.7%	72.6%	-	93.3%	74.2%	100.0%	80.6%	81.9%
August													
Total Beds	6	6	6	5	2	2	2	2	2	4	1	1	39
Monthly Avg.	5.65	4.8	3.81	4.16	1.83	1.29	1.94	0.68	1.94	3.74	1	0.65	31.23
Monthly % Occupancy	94.1%	80.0%	63.4%	83.2%	91.7%	64.5%	96.8%	33.9%	96.8%	93.5%	100.0%	64.5%	80.7%
September													
Total Beds	6	6	6	5	2	2	2	2	2	4	1	1	39
Monthly Avg.	5.87	4.72	3.45	2.6	1.83	1.43	1.97	1.4	2	3.73	1	0.8	30.5
Monthly % Occupancy	97.8%	78.7%	57.5%	52.0%	91.7%	71.7%	98.3%	70.0%	100.0%	93.3%	100.0%	80.0%	79.1%
October													
Total Beds	6	6	6	5	2	2	2	2	2	4	1	1	39
Monthly Avg.	6	4.73	3.61	3.52	2	1.18	1.74	1.13	1.97	3.68	1	0.94	31.23
Monthly % Occupancy	100.0%	78.9%	60.2%	70.3%	100.0%	58.9%	87.1%	56.5%	98.4%	91.9%	100.0%	93.5%	80.9%

Based on data reported to the Vermont Department of Mental Health (DMH) by crisis bed programs for adult care using the electronic bed boards system. Programs are expected to report to electronic bed boards a minimum of once per day to update their census. State averages are adjusted to exclude programs on days where there were no updates submitted to the bed board.
The Second Spring-Williamstown program is based upon two beds that can be reallocated to intensive residential services as needed.

d. Waitlist for Nonresidential Services at Designated Agencies

The Committees believe that in order to truly understand the required level 1 capacity within the mental health system, the utilization of all services in the continuum should be assessed. To this end, the Committees were interested in learning whether the infusion of Act 79 funds into the community mental health system for nonresidential services alleviated pressure at any other points in the continuum.

The Committees heard anecdotally that waitlists exist for housing vouchers. However, they were not able to obtain data indicating how many people were brought into the designated agencies for nonresidential services as a result of Act 79 or how many people were diverted from residential placements as a result of additional community resources.

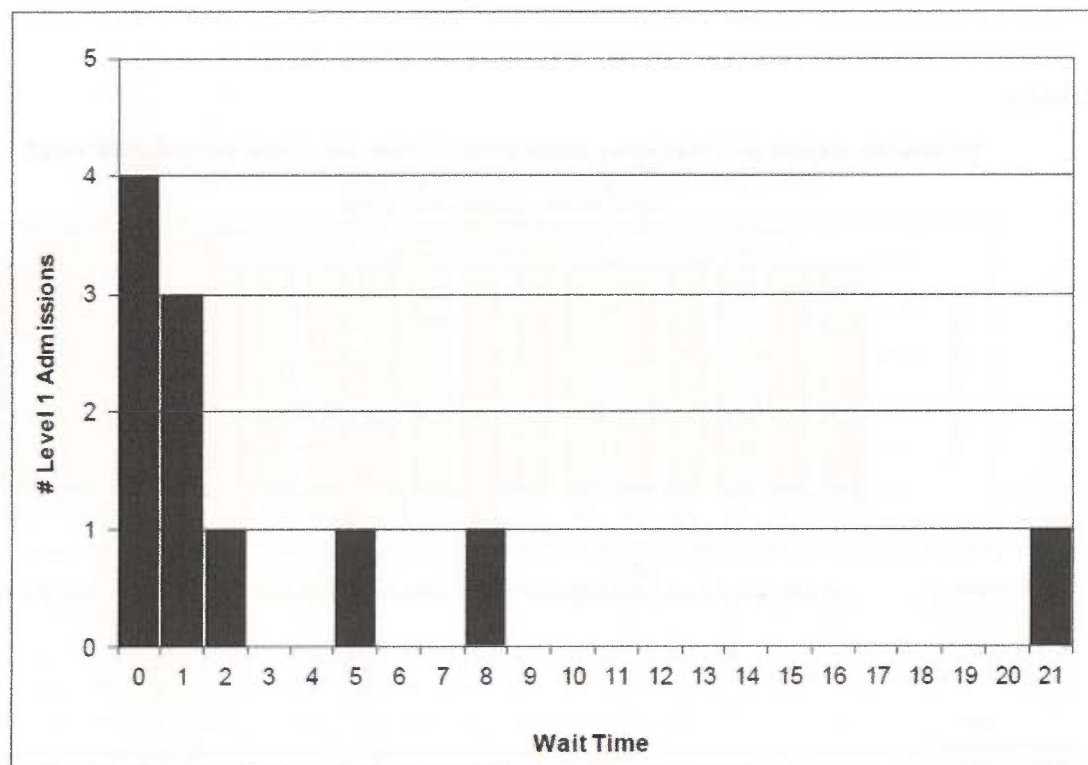
3. Wait Times for Level 1 Placements

The Committees heard testimony that people in need of level 1 hospital admissions are experiencing significant wait times in both emergency departments and at correctional facilities. In some cases, the wait times are so high that they are measured in days versus hours. Table 7 below was included in the Department of Mental Health's October 2013 monthly report to the Committees. It provides a snapshot of the wait times experienced by patients during the month of September in both emergency departments and correctional facilities.

Table 8 below was also included in the Department of Mental Health's October 2013 monthly report to the Committees. It provides wait times in hours for involuntary inpatient admissions for youth, adults undergoing emergency exams, and adults under a warrant or court-ordered forensic observation. Between April 2012 and September 2013, the percentage of youth and forensics patients waiting for a level 1 bed whose wait time exceeded 24 hours ranged from 11 percent to 53 percent.

TABLE 7

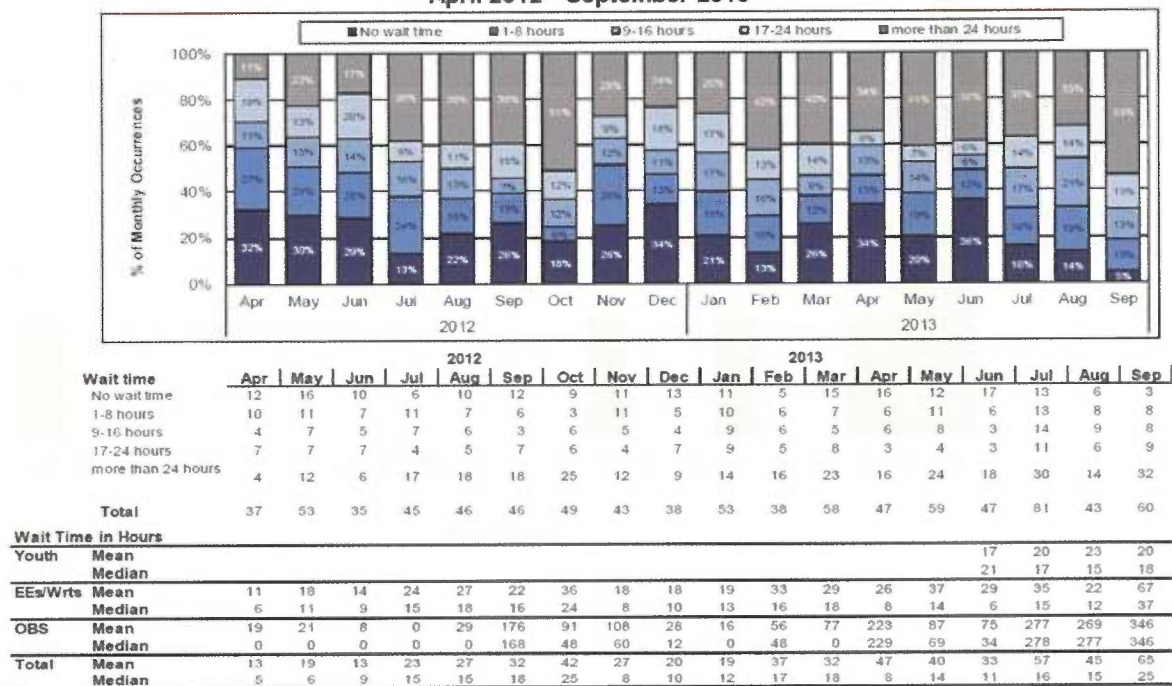
**Legislative Report to Mental Health Oversight Committee
and Health Care Oversight Committee
Wait Times to Admission for Level 1 Patients
September 2013**



Wait Time	Level 1 Admissions	
	#	%
< 1 day	4	36%
1 day	3	27%
2 days	1	9%
5 days	1	9%
8 days	1	9%
21 days	1	9%
Total	11	100%

TABLE 8

Emergency Exams and Warrants, Court Ordered Forensic Observations, and Youth
Wait Times in Hours for Involuntary Inpatient Admission
April 2012 - September 2013



4. Recommendations of the Committees

a. Projected Level 1 Census Need

In order to make a recommendation on the level 1 capacity needed to operate the State's mental health system, the Committees decided to operate under a certain set of assumptions. These assumptions include the following:

- that the Green Mountain Psychiatric Care Center close once the Vermont Psychiatric Care Hospital opens (based on assurances that the Department made with the host community and the General Assembly);
- that Fletcher Allen Health Care would no longer participate in the no refusal system once the Vermont Psychiatric Care Hospital opens in Berlin on or before July 1, 2014; and
- that both the 14-bed unit at the Brattleboro Retreat and the six-bed unit at the Rutland Regional Medical Center would continue to accept patients in the care and custody of the Commissioner of Mental Health.

Given these assumptions, the Committees did not hear any testimony that would justify the opening of anything fewer than 25 beds at the new Vermont Psychiatric Care Hospital in Berlin. Stakeholders from the administration, hospitals, and community all agreed that opening fewer than 25 level 1 beds in Berlin would be insufficient.

The Committees acknowledge that the State's mental health system is still in the midst of transition. New facilities and services have yet to come on line, and therefore it is challenging to predict the exact number of beds needed in the system. Yet despite this, the data pertaining to level 1 hospital admissions over the past year demonstrate a significant system overflow. The Committees anticipate that roughly four additional beds will be needed above and beyond the 25 beds at the hospital in Berlin and units at the Brattleboro Retreat and Rutland Regional Medical Center for admissions originating in the community. Another two to four beds are likely required for the unmet need for level 1 treatment in corrections. The Committees recommend that contingency plans be established to address future overflow needs.

b. Budgetary Considerations

The Committees do not believe that the budget for fiscal year 2014 provides adequate funding for level 1 treatment through the end of the year. As a result, the funding of the mental health system should be reconsidered during the fiscal year 2014 budget adjustment process.

With regard to fiscal year 2015, the Committees feel strongly that all current commitments, including funding for 25 beds at the Vermont Psychiatric Care Hospital, should be maintained. Creating a successful mental health system in Vermont requires the opening of 25 beds in Berlin, and it therefore should be fully funded regardless of the source of the funds.

Testimony from the Commissioner of Mental Health indicated that the Department plans to do a "soft-opening" of the Vermont Psychiatric Care Hospital in June by filling only 16 beds. The Hospital staff will be hired, trained, and on-site in May. The Commissioner indicated that the time to create positions, recruit, hire, and train staff could take up to four months. Due to the fact

that the staff for the additional nine beds is not yet authorized by the budget, he suggested that fully filling the 25 beds would not be possible by July 1.

In terms of when the Vermont Psychiatric Care Hospital should open, the Committees believe that it is important to balance the Administration's planned clinical optimum of slowly phasing in beds at the new hospital with the existing stress present throughout the mental health system. With that in mind, the Committees support a "soft-opening" of fewer than 25 beds at the Vermont Psychiatric Care Hospital in June, so long as all 25 beds are staffed ready as of July 1, 2014. The Committees request that the Department of Mental Health prepare and present a plan to the committees of jurisdiction regarding the opening of the new hospital prior to the budget adjustment process. The plan should include timelines for recruiting and hiring staff.

B. Vermont Psychiatric Care Hospital

1. Status of Hospital Construction

At the Committees' November meeting, the Department of Mental Health reported that the Vermont Psychiatric Care Hospital was nearly 45 percent complete. Work on both the exterior and interior of the building continues, including the construction of a central courtyard and completion of plumbing, wiring, and radiant heat installation. Changes contemplated by the project managers take into account operational considerations, costs, and the construction schedule. The Department's facility planning group continues to meet regularly to address construction and operational issues.

The Department of Mental Health reports that all project expenses are on target with budget estimates. It is anticipated that construction will be completed in May 2014, enabling the hospital to open its doors to patients beginning in June or July 2014.

2. Hospital Staffing

The Department of Mental Health presented the Committees with its proposed list of staffing needs for the Vermont Psychiatric Care Hospital. Its recommendations are provided in Table 9 below. At the meeting, the Vermont State Employees' Association expressed some concerns about the Department's proposal, namely with regard to the patient-to-staff ratios.

TABLE 9

Vermont Department of Mental Health
Berlin Staffing FY 15

Proposed Staffing, Berlin 25 Beds			
Non-Clinical FTEs		Clinical FTEs	
Med Records (Health Info Spec)	1	Director of Nursing	1
Unit Clerks (Staffing Admin only for Original submission)	4	Asst DON	1
Administrative Asst. (Exec Off Mgr., reception)	3	Nurse Supervisor	6
Staffing	5	Registered/Charge Nurse	35
Admissions	5	Psych Tech/MHRS/Transporter	95
Information Systems/Change Mgmt	1	Activity Therapist (incl Dir.)	5
Operations/Facilities/Storekeeper	3	CEO	1
Education	2	Psychologist	2
HR Credentialing	1	Social Worker	3
Dietary/Food Service	7	Environmental Safety	6
Pharmacy	2	Total Clinical FTEs	155
Risk Management/Pat Safety	1		
Utilization Review	1		
QA	1		
Total Non-Clinical FTEs	37	Total FTEs	192

While the Committees believe a great deal of practice experience contributed to the Department's staffing proposal, they ask that the Department review any known staffing models that are highly regarded in the psychiatric care community to assess whether its existing proposal should be modified. The Committees recognize that numbers alone do not capture appropriate staffing protocols for psychiatric units, and that other factors such as training and facility layout must be taken into account. The Department's review should include the following:

- To the extent available through national mental health organizations, identify professional standards appropriate to the clinical needs of patients.
- Staffing at the Vermont Psychiatric Care Hospital must fulfill the requirements of any applicable licensing or accrediting entity. These requirements are a baseline only; the Department should consider evidence-based practices that enhance both patient treatment and employee safety.

Upon completion of its review, the Committees request that the Department of Mental Health present any revisions to its staffing proposal to the committees of jurisdiction. The Committees would also like the staffing proposal to reflect both State employees and contracted staff.

The Committees remain extremely concerned that the Department has not yet created a timeline for hiring and training new Vermont Psychiatric Care Hospital employees. They recommend that the Department begin this process immediately to ensure that the Hospital staff is ready for patients when construction of the new facility is complete in June.

**Report on the Joint Meeting of the
Mental Health and Health Care Oversight Committees**

Mental Health Oversight Committee

/s/ Senator Sally Fox

Senator Sally Fox, Chair

Health Care Oversight Committee

/s/ Senator Virginia Lyons

Senator Virginia Lyons, Chair

V. APPENDICES

Appendix 1: 2013 Acts and Resolves No. 50, Sec. E.314.2

Sec. E.314.2 LEVEL 1 PSYCHIATRIC CARE EVALUATION

(a)(1) The Mental Health Oversight Committee and the Health Care Oversight Committee shall hold a joint meeting in November 2013 for the purpose of evaluating the capacity needed to treat patients in the care and custody of the Commissioner of Mental Health, specifically regarding the capacity needed within the Level 1 system of care as established in 2012 Acts and Resolves No. 79. The evaluation shall include:

- (A) an assessment of the census trends for the Level 1 system of care during the last fiscal year;
 - (B) the status of the census capacity at Rutland Regional Medical Center and Brattleboro Retreat's Level 1 unit;
 - (C) the status of the construction at the state-owned and -operated psychiatric hospital in Berlin;
 - (D) the status of the census capacity at the intensive and secure residential recovery programs;
- and
- (E) an assessment of whether the budget provides adequate capacity for Level 1 treatment through the end of the 2014 fiscal year and the estimated budget need for the duration of the 2015 fiscal year.

(2) The evaluation shall include a projection of the daily census need for Level 1 inpatient care in excess of the six beds projected to operate at the Rutland Regional Medical Center and the 14 beds projected to operate at the Brattleboro Retreat as of April 1, 2014. The Committees shall solicit input from those hospitals providing Level 1 care that will be discontinued once the state-owned and -operated hospital is opened. The Committees' evaluation shall be submitted to the House and Senate Committees on Appropriations on or before December 15, 2013.

(3) The evaluation shall assess the number and type of personnel necessary to staff the state-owned and -operated hospital in Berlin as of April 1, 2014. On or before December 15, 2013, the Mental Health Oversight Committee and the Health Care Oversight Committee shall make a recommendation to the Joint Fiscal Committee as to the number and type of personnel needed to operate the state-owned and -operated hospital on April 1, 2014.

(4) It is the intent of the General Assembly that the 2015 fiscal year budget provide adequate resources to fund fully the community programs as funded in fiscal year 2014 and inpatient capacity established in 2012 Acts and Resolves No. 79, including the 25 beds at the state-owned and -operated hospital in Berlin. If the Mental Health Oversight Committee and the Health Care Oversight Committee in their evaluation and recommendation to the Joint Fiscal Committee find that less need exists than anticipated, the Joint Fiscal Committee may recommend reconsideration by the General Assembly.

(b) Each month between June and December 2013, the Department of Mental Health shall provide the following information to the Mental Health Oversight Committee and the Health Care Oversight Committee:

(1) The number of Level 1 patients receiving acute inpatient care in a hospital setting other than the renovated unit at Rutland Regional Medical Center, the renovated unit at the Brattleboro Retreat, and the Green Mountain Psychiatric Center in Morrisville, including the number of individuals treated in each setting and the single combined one-day highest number each month;

(2) The number of individuals waiting for admission to a Level 1 psychiatric inpatient unit after the determination of need for admission to emergency departments, correctional facilities, or any other identified settings is made and the number of days individuals are waiting;

(3) The total census capacity and average daily census of new intensive recovery residence beds opened in accordance with 2012 Acts and Resolves No. 79, and the annual daily census of the secure residential recovery facility in Middlesex. The census capacity shall not include a duplicate count for beds that replace those currently in operation elsewhere.

Appendix 2: Witness List

1. Paul Capcara, Clinical Nurse Manager, Adult Acute Care Unit, Brattleboro Retreat
2. Lesa Cathcart, Rutland Regional Medical Center
3. Paul Dupre, Commissioner, Department of Mental Health
4. Nick Emlen, Mental Health Systems Coordinator, Vermont Council of Developmental and Mental Health Services
5. Dr. W. Gordon Frankle, Director of Psychiatric Services, Rutland Regional Medical Center
6. Heidi Hall, Financial Director, Department of Mental Health
7. Steve Howard, Legislative Director, Vermont State Employees Association
8. Katie McLinn, Legislative Counsel, Office of Legislative Council
9. Mary Moulton, Executive Director, Washington County Mental Health Services
10. John O'Brien, Senior Advisor on Health Care Financing, Green Mountain Psychiatric Care Center
11. James Reardon, Commissioner, Department of Finance and Management
12. Frank Reed, Deputy Commissioner, Department of Mental Health
13. Jeff Rothenberg, Director of Mental Health Services, Department of Health
14. Lauren Tronsgard-Scott, Nurse Manager of Inpatient Mental Health Unit, Fletcher Allen Health Care
15. Laura Ziegler, Concerned Citizen



I.b.

State of Vermont
Department of Mental Health
Commissioner's Office
Redstone Office Building
26 Terrace Street
Montpelier VT 05609-1101

Agency of Human Services

<http://mentalhealth.vermont.gov/>

[phone] 802-828-3824
[fax] 802-828-1717
[tty] 800-253-0191

MEMORANDUM

TO: Joint Legislative Mental Health Oversight Committee
Joint Health Care Committee

FROM: Paul Dupre, Commissioner of the Department of Mental Health

DATE: November 19, 2013

RE: November, 2013 Department of Mental Health (DMH), Addendum Report on Overall Mental Health Hospital System Capacity to the Joint Legislative Mental Health and Health Care Oversight Committees

Attached please find the November 19, 2013 Addendum Report to the Oversight Committees on Mental Health and Health Care as outlined in 2012 Acts and Resolves No. 79, Sec. E.314.2.

Please direct any inquiries for additional data collection or report content development to Paul Dupre, Commissioner of the Department of Mental Health; paul.dupre@state.vt.us.

DMH Addendum: Overall Mental Health Hospital System Capacity Report November 19, 2013

This report is submitted in response to requests by the Joint Legislative Committees on Mental Health Oversight and Health Care Oversight on 11/8/13. The information requested is listed below. Section I describes and summarizes the information depicted in graphic and tabular formats, found in Section II.

Section I: Summary

The information requested by the Joint Mental Health and Health Care Oversight Committees is listed below.

1. Crisis Bed Occupancy Rates to determine overall system capacity

The first **Table (1)** in Section II depicts the Census Report for Crisis Beds available for use in communities statewide, for purposes of diverting individuals from hospitalization, when possible, and for step-down to the community from other higher levels of care, such as hospitalization. There is an overall capacity of 39 beds to date, having grown by 2 beds since January. Overall occupancy rates are averaging at 81%, or 31 individuals on average per month. The length of stay in the crisis beds is relatively short and the services provided are divergent from each other, with some providing more supervision and support than others. This somewhat limits utilization in some instances. **Graph (1)** shows how the census fluctuates from month to month between the crisis bed programs.

2. Housing and Support

Housing, if it part of a client's mental health treatment plan, is an allowable MCO Investment. Clients that are given housing vouchers receive services either through Pathways to Housing or one of the Designated Agencies. This allows DMH to use the \$500k GF appropriated in fy13, plus the additional \$75k GF appropriated in fy14, to match Global Commitment for MH Housing Vouchers of \$1.4M. Pathways to Housing and the Designated Agencies have agreements with DMH to provide these treatment services. In order to participate in the housing voucher program each provider is required to have an individual treatment plan for each client and enters outcome information into a data collection system. Using an average ratio of 1:1 housing dollars to service dollars, there is approximately \$1.4M in treatment dollars being spent on the individuals receiving housing vouchers.

3. Non-Residential Services Trends

Graph (2) shows that there has been a significant increase in services provided between FY 12 and FY 13 in use of both Emergency and Adult Outpatient services, at 44% and 12% respectively. Services to individuals also increased, by 11% in Emergency Programs and 8% in Adult Outpatient programs. This can be attributed to increased access to services and extended services of case management to otherwise non-eligible individuals (non-categorical case management).

The Designated Agencies Enhancements more than likely have been successful in increasing both. A report of the data that has been gathered follows.

Enhanced Emergency Services Funding

There are 10 Designated Agencies across the State that received funding to enhance their crisis and other related emergency services through an allocation via Act 79. All of the agencies participated in developing additional services and enhancing services already in place, in order to provide more timely access to and response for those in crisis.

The funds were disbursed as services were developed and implemented. The list of enhancements is fairly broad, with common themes and best practices identified and implemented across all of the DA's. Due to the fact that all of the agencies implemented their programs to meet the individual needs of their catchment areas, and to differences in how outcomes and delivery of services were measured, it is still premature to attribute specific activities to specific outcomes from the mix of quantitative data currently available. A baseline of relevant themes reported by each of the agencies and rough estimates of numbers of persons served in several categories are presented.

The program services which were implemented by all of the DA's include:

- Enhancements to the Emergency Services through additional staff and implementation of mobile/community crisis and assessment capacity.
- Adding Peer supports in either crisis settings, or in some areas, hospital emergency rooms.
- Diversion from Emergency Departments
- Collaboration with Law enforcement and participation with law enforcement training
- Emergency respite and crisis beds
- Non-categorical case management (in all but one DA)
- Special services such as new programs developed to manage more complex clients in the community, extending services to those not previously covered through CRT and/or AOP, and additional psychiatrist/Nurse Practitioner time for medication evaluation and administration.

Quantitative Data

The DA's receiving enhancement funding, sent quarterly reports of persons and/or services provided; however, reporting was inconsistent due to differences in definitions of measures. The primary outcome measures to be reported were:

- # assessed in Emergency Department
- # Assessed in the Community
- # Total Assessments
- # Diverted from ED
- # Diverted from Hospitalization
- # voluntarily hospitalized
- # involuntarily hospitalized

# assessed in ED	# assessed in Comm	# Total Assessments	Diverted from ED	Diverted from Hospital	Vol hospital	Invol hospital
3185	2972	6651	4267	1129	972	462

(This summarized data from all of the Agencies, is a projective estimate, as data collection varied in its consistency from each DA for quarters queried. In these instances, the data was annualized in order to provide an estimated snapshot.)

Qualitative Themes

- ***Increased Access:***

Several of the DA's reported that the numbers of persons served through their emergency and crisis services, as well as in the Adult Outpatient services increased between FY12 and FY 13. This was also impacted in some areas, by the time required to bring services up to speed.

Co-located staff in some areas with shelter/homeless programs, Corrections Probation and Parole, Reach-UP and Vocational Rehabilitation, Drop in Centers and Turning Point Recovery Centers, have increased access to mental health services. (HCRS)

"We have provided services to many clients who, in the past, would have gotten lost between the gap of Adult Outpatient and CRT services"(HCRS).

"....it can be noticed that the Enhanced Emergency Program has gained the ability to assess more individuals in the community from the previous year. Involvement with adults within a community setting has increased 66% from the previous year with overall assessments for adults increasing 13%. (NKHS)

- ***Diversion from hospitalization:***

DA staff report that through diversion case managers, services are being provided to those at risk for hospitalization in community settings, such as in motels or other services for those who may be homeless.

Increased home based services, through increasing the number of case managers to individual who do not meet eligibility criteria for CRT and/or DS programs, have helped provide a range of interventions and supports as alternatives to hospitalization.

- ***More crisis intervention capacity:***

"We have been able to have staff respond to many different situations where clients and non-clients were at risk for hospitalization and been able to provide the support needed to divert these higher level care needs. In addition, "these resources have made....this shift possible", to "changing the approach of staff and their response to the person in need through adopting a prevention philosophy of recovery and resiliency". (CMC)

- ***Collaboration with Law Enforcement has resulted in increased capacity to manage complex clients in the community.***

Emergency team clinicians are screening, assessing and providing case management services through police departments, primary care providers and others to prevent escalating crises and further decompensation of persons in need.

- ***Expanded capacity to provide higher levels of support and supervision in the community as a way to prevent higher cost institutional services.***

"...is a featured resident in a brand new program that provides him with 24/7 awake support without his being in a group home situation. The program provides such a significant amount of attention with focus on helping (him) to be an individual and not a 'delusional character' ".
(HC) Staff also report that he has been prevented from having to be hospitalized on at least 2 occasions.

Utilization of an interagency team approach to serving persons who repeatedly utilize costly institutional services has reduced hospitalization.

Ability to provide outreach and home based services to fragile people who might otherwise have been admitted to higher level of care.

Challenges to implementation of enhanced programs

- *Challenges in hiring qualified staff*
- *Difficulty siting programs in communities that are sensitive to having programs for persons with mental health problems in their neighborhoods.*

FY 2013 Peer Services have increased, with the allocation of \$1 million from Act 79. DMH has expanded services provided by individuals with the lived experience of mental illness (peers) as follows:

- Vermont Psychiatric Survivors is now operating a new program in Rutland called Community Links, which includes 4 Peer Outreach Staff that provide support and crisis prevention services for individuals with serious mental illness coming out of RRMC, Corrections, homeless shelters and Turning Point Recovery Center;
- Vermont Psychiatric Survivors has also increased statewide outreach staffing to provide additional support (e.g. support groups) and crisis prevention for individuals who typically avoid professional services;
- Pathways Vermont is operating a Statewide Support Line 8 hours per day and 7 days a week that provides pre-crisis mental health support and outreach;
- Another Way in Montpelier has increased staffing to provide support and crisis prevention in Montpelier for individuals who typically avoid traditional mental health services;

- Northeast Kingdom Youth Services has added to 2 Peer Outreach Staff that provide support (e.g. WRAP groups) and crisis prevention for young adults at risk of hospitalization;
- the Vermont Center for Independent Living has established a statewide Wellness Workforce Coalition for peer services and is providing core training (Wellness Recovery Action Planning, Intentional Peer Support), mentoring, and competency development for all peer service providers in the state; and
- Over the past 12 months, Pathways-VT has secured a building for Soteria-Vermont and is in the process of making renovations and accessibility improvements to the building. Pathways-VT has also submitted a Certificate of Need (CON) Application and expects to open the program in March of 2014. The opening date of the program was delayed due to a lack of funding in SFY '14.

4. Census trends for all inpatient, non-level I beds: involuntary and voluntary and for Level I beds

Voluntary census is estimated and shown on **Table (2)**. The data is specific to each of the Designated Hospitals, and illustrates the average daily census (ADC) for Level I, involuntary patients, and then for the percentage of Voluntary, Non-Level I and percentage of Level I patients for each of the hospitals and statewide. It is clear to see that for some hospitals, there are very few involuntary persons, and fewer Level I patients. These are small numbers, which when aggregated, may indicate higher percentages than is truly representative of the data presented. This is particularly the case when looking at GMPCC, which had a 26% non-Level I rate, which occurred due to one person. When taken together, the statewide census of voluntary patients in designated psychiatric treatment beds, for FY13 was 63%, while Level I was 28% and non-level I Involuntary was lowest, at 9%.

Graph (3), illustrates Level I Inpatient Capacity and Utilization between July 2012 and October 2013. In demonstrating our projections for the system with the Vermont Psychiatric Hospital in Berlin at 16 and 25 beds respectively, the graph shows both the average daily census and the trend line across this time period. It would suggest that the 25 bed option would most approximate the projected need. The graph also shows that there may be some correlation with increased census with the opening of the Level I units at GMPCC in January, 2013, Rutland Regional Medical Center and Brattleboro Retreat, in April of 2013. This could also be reflective of having specific units for patients with higher needs, as the trend seemed to stabilize for the Retreat and Rutland in the summer months. This could also be a seasonal shift.

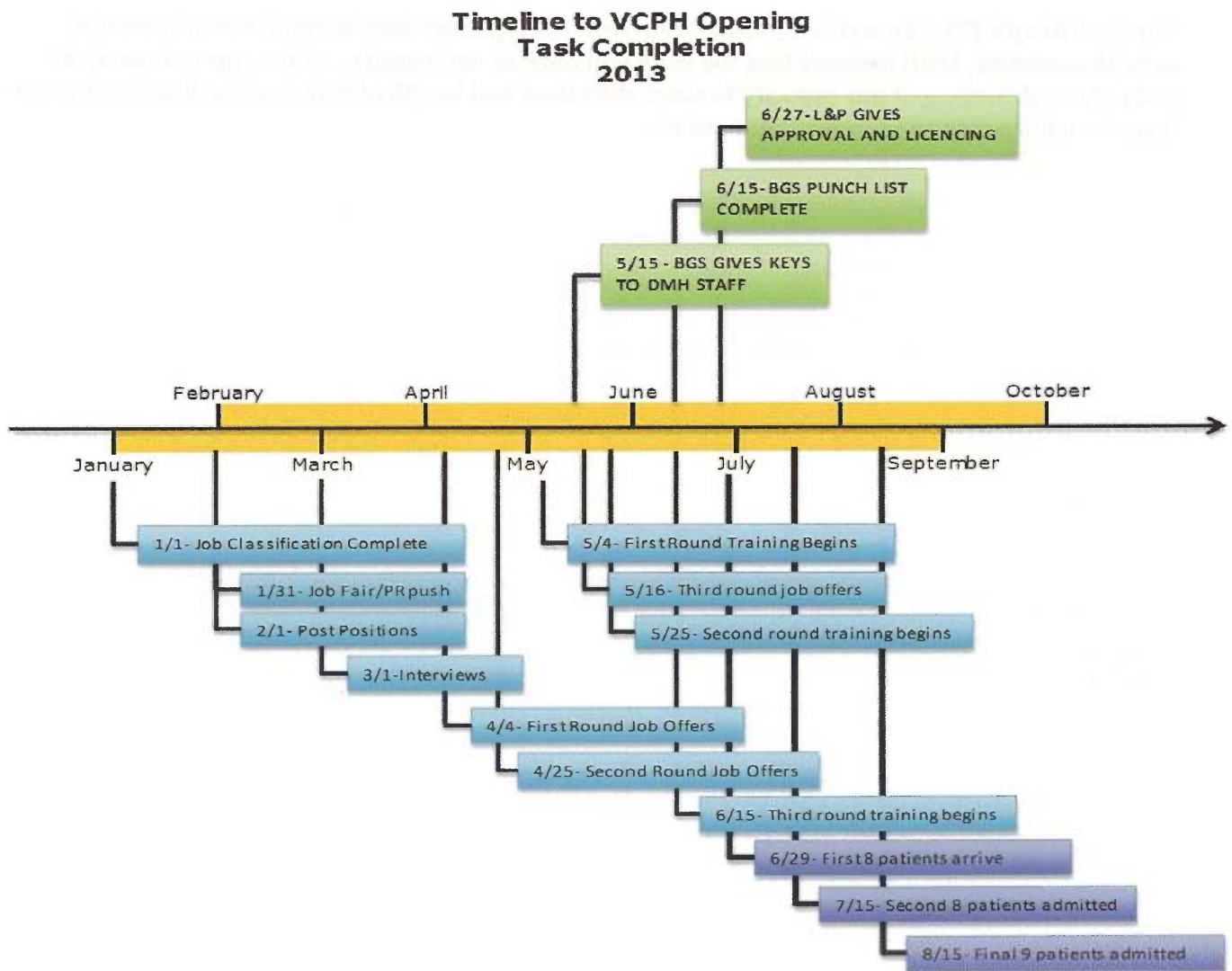
Graph (4) pertaining to Level I Inpatient Length of Stay for Brattleboro Retreat and RRMC and statewide, show some differences between the two hospitals. Rutland had a large spike in December; however this could be skewed by one patient. Overall the general length of stay is trending upward to around 60 days, averaging close to 50 at Rutland Regional Medical Center and approximately 80 at Brattleboro Retreat. It is important to keep in mind that the range is fairly broad with respect to lengths of stay, which are impacted by patient engagement with treatment, and appropriate discharge plans, as well as other factors such as forensic requirements.

Forensic and Emergency admissions are compared across a ten year history to look at whether the numbers have changed since the closing of the Vermont State Hospital (VSH). This analysis is limited, given the short period of time, during which the shift to a decentralized system of Designated Hospitals for Level I patients has been in place. It can be seen on **Graph (6)** that there were more involuntary admissions to the Designated Hospitals than to VSH between 2002 and 2011, however, no forensic admissions to the Designated Hospitals until after the closing of the VSH. It would appear that emergency examination admissions have remained somewhat stable taking into account, the combined numbers of DH and VSH Emergency admissions, which are now represented only by DH's numbers (**Graph 5**). In addition, the numbers of Forensic admissions, seems a bit lower than in previous years.

The final **Graph (7)**, illustrates the Estimated Need for Inpatient Beds in our current system of care. In summary, DMH believes that the state will have an estimated need for approximately 44 beds, through looking at our capacity to date, utilization and length of stay, and the historical trend lines for emergency and forensic admissions.

Bringing Vermont Psychiatric Hospital at Berlin on line:

The proposed timeline for opening and accepting patients to its full capacity at Berlin is impacted by a number of both clinical and logistical factors. The illustration below shows the progression of events.



Factors contributing to a phase-in approach to accepting patients are:

- Staff needs to become oriented to new building. Staff occupancy will not occur until 5/15/14 per most recent BGS building update.
- Hospital staff must know procedures and follow hospital and patient care policies at all times. Systematic repetition for consistent response is vital to ensure staff and patient safety.
- Staff and patient safety, are impacted by the opportunity to establish new work flows within a new building and establish routines for both operations and patient care. The start-up experience at GMPCC indicates that staff will encounter unforeseen obstacles in the first few weeks, of occupancy in the building, that we must have time to work through before increasing patient capacity. As a hospital with current JCAHO accreditation, and anticipating CMS accreditation by the opening of the new hospital, a negative patient care outcome due to staff not being familiar with routine work flows will launch regulatory review and potential failure to meet CMS conditions of participation.
- In addition to new space, we will have numerous new staff (we are projecting needing to hire 71 direct care staff). Although orientation and training is extensive for new staff, inexperienced staff have a natural learning curve before achieving full competency. In addition, a stable working team has a similar learning curve. A large number of new nurses and psychiatric technicians will be working in a locked involuntary psychiatric facility with high acuity patients and must be afforded sufficient time to develop effective teaming behaviors for the hospital and patient care units.

What do JCAHO and other evidence based practices show regarding staffing levels.

JCAHO and CMS do not recommend a specific number for staffing ratios. Accreditation organizations stress that staffing levels should be adequate to follow identified policies and procedures, deliver the required care for the patient needs, and achieve compliance with accreditation standards.

California has identified minimum nursing staffing requirements, which is 1 nurse for 6 patients. GMPCC personnel have solicited staffing level information from other Level 1 hospital units, as well as other regional state psychiatric hospitals. The staffing levels we are requesting are more robust than other inpatient psychiatric hospitals. The request is based on the following reasons:

- Vermont, unlike most states, does not have a forensic psychiatric hospital. Our hospital must have capacity to serve a patient mix of individuals who are on a Civil Commitment, as well as, those who are there by court order.
- The hospital was designed to both have a non-institutional feel and smaller patient units that would promote greater patient and staff treatment interactions. This purposeful design also requires staffing to achieve these intentional interactions. For example, the

design creates 8, 8, 5 and 4-bed patient care wings respectively. Each wing has its own patient help desk, dining room, and multiple use areas which require staff availability and oversight, often simultaneously, in each of these areas throughout each shift.

- The hospital was designed to utilize space in multiple areas of the facility that are purposefully open to patients, but increases the need to monitor and assure patient care and safety in the accessible and open spaces as well.
- The current staffing levels at the renovated 8-bed GMPCC space in Morrisville have comparability with one 8 bed unit at the new hospital in Berlin. Currently, GMPCC has reduced Emergency Involuntary Procedures (EIP) by 30% when compared to EIP levels with the former Brooks 1 and 2 units at VSH. Replicating this achievement in a multiple unit environment requires additional staffing for the new hospital.
- VSH experienced chronic staff shortages in its efforts to admit any patient presenting for admission and maintain adequate staffing for units with high acuity. Staff shortages, due to a variety of reasons, then coupled with cyclical mandatory overtime to safely staff the hospital on each shift were significant contributors to workforce dissatisfaction prior to the hospital's closure.

Section II. Data Presented in Graphs and Tables

Table 1

Legislative Report to Mental Health Oversight Committee and Health Care Oversight Committee Crisis Bed Census Report 2013

Adult Crisis Bed Units

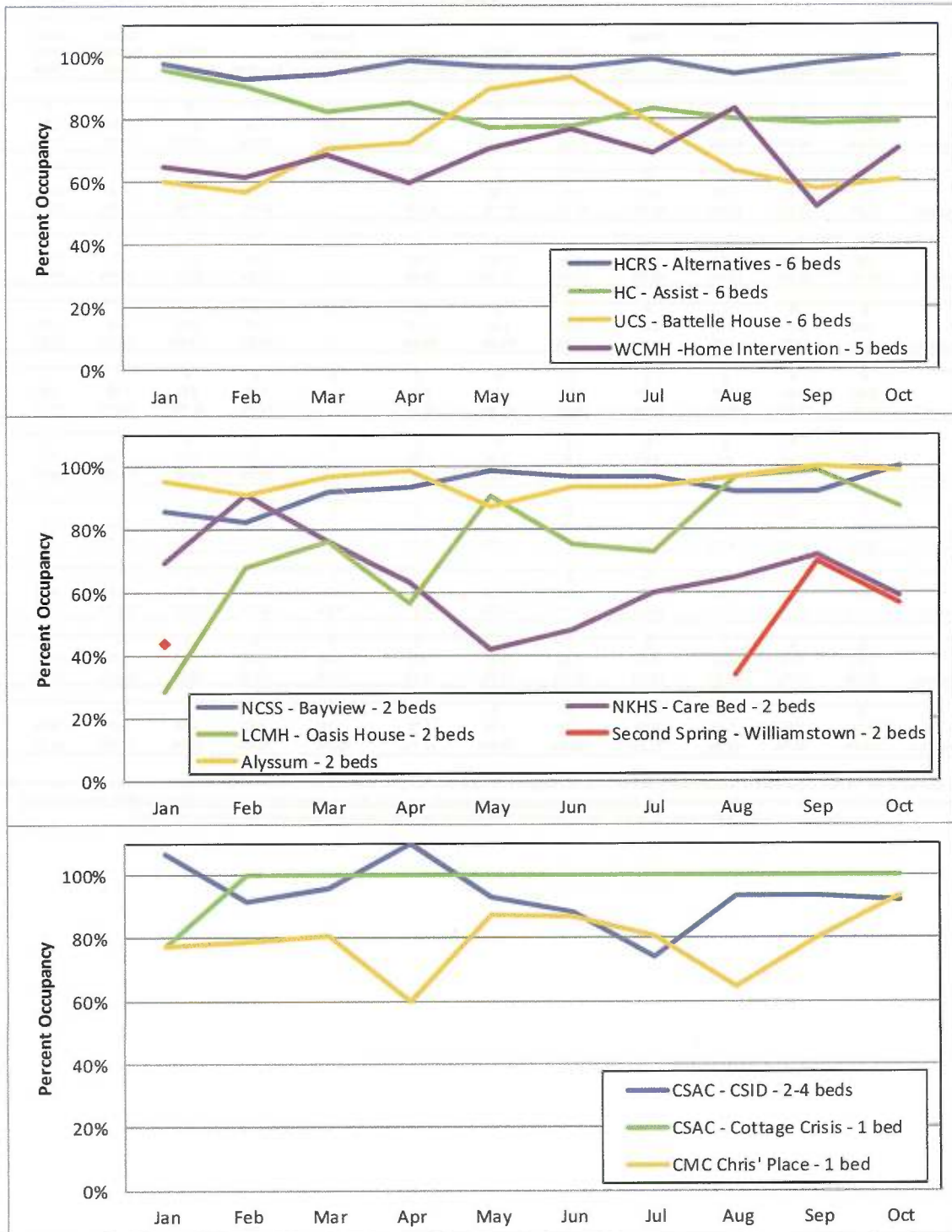
	HCRS Alternatives	HC Assist	UCS Battelle House	WCMH Home Intervention	NCSS Bayview	NKHS Care Bed	LCMH Oasis House	Second Spring Williamstown	Alyssum	CSAC CSID	CSAC Cottage Crisis	CMC Chris' Place	State Avg
January													
Total Beds	6	6	6	5	2	2	2	2	2	2	1	1	37
Monthly Avg.	5.87	5.74	3.60	3.23	1.71	1.39	0.57	0.88	1.90	2.13	0.77	0.77	27.48
Monthly % Occupancy	97.8%	95.7%	60.0%	64.5%	85.5%	69.4%	28.3%	43.8%	95.2%	106.5%	77.4%	77.4%	77.4%
February													
Total Beds	6	6	6	5	2	2	2	2	2	3	1	1	38
Monthly Avg.	5.57	5.43	3.39	3.07	1.64	1.82	1.36	-	1.82	2.75	1.00	0.79	27.68
Monthly % Occupancy	92.9%	90.6%	56.5%	61.4%	82.1%	91.1%	67.9%	-	91.1%	91.7%	100.0%	78.6%	79.2%
March													
Total Beds	6	6	6	5	2	2	2	2	2	3	1	1	37
Monthly Avg.	5.65	4.93	4.23	3.42	1.84	1.52	1.52	-	1.94	2.87	1.00	0.81	29.35
Monthly % Occupancy	94.1%	82.2%	70.4%	68.4%	91.9%	75.9%	76.0%	-	96.8%	95.7%	100.0%	80.6%	82.6%
April													
Total Beds	6	6	6	5	2	2	2	2	2	3	1	1	37
Monthly Avg.	5.90	5.11	4.34	2.97	1.87	1.27	1.13	-	1.97	3.30	1.00	0.60	28.80
Monthly % Occupancy	98.3%	85.2%	72.4%	59.3%	93.3%	63.3%	56.5%	-	98.3%	110.0%	100.0%	60.0%	81.8%
May													
Total Beds	6	6	6	5	2	2	2	2	2	4	1	1	39
Monthly Avg.	5.81	4.61	5.37	3.52	1.97	0.84	1.81	-	1.74	3.71	1.00	0.87	30.71
Monthly % Occupancy	96.8%	76.9%	89.4%	70.3%	98.4%	41.9%	90.3%	-	87.1%	92.9%	100.0%	87.1%	84.3%
June													
Total Beds	6	6	6	5	2	2	2	2	2	4	1	1	39
Monthly Avg.	5.77	4.64	5.6	3.83	1.93	0.96	1.50	-	1.87	3.53	1.00	0.87	31.00
Monthly % Occupancy	96.1%	77.4%	93.3%	76.6%	96.7%	48.2%	75.0%	-	93.3%	88.3%	100.0%	86.7%	85.4%
July													
Total Beds	6	6	6	5	2	2	2	2	2	4	1	1	39
Monthly Avg.	5.94	5.00	4.71	3.45	1.94	1.19	1.45	-	1.87	2.97	1.00	0.81	29.61
Monthly % Occupancy	98.9%	83.3%	78.5%	69.0%	96.8%	59.7%	72.6%	-	93.3%	74.2%	100.0%	80.6%	81.9%
August													
Total Beds	6	6	6	5	2	2	2	2	2	4	1	1	39
Monthly Avg.	5.65	4.80	3.81	4.16	1.83	1.29	1.94	0.68	1.94	3.74	1.00	0.65	31.23
Monthly % Occupancy	94.1%	80.0%	63.4%	83.2%	91.7%	64.5%	96.8%	33.9%	96.8%	93.5%	100.0%	64.5%	80.7%
September													
Total Beds	6	6	6	5	2	2	2	2	2	4	1	1	39
Monthly Avg.	5.87	4.72	3.45	2.60	1.83	1.43	1.97	1.40	2.00	3.73	1.00	0.80	30.50
Monthly % Occupancy	97.8%	78.7%	57.5%	52.0%	91.7%	71.7%	98.3%	70.0%	100.0%	93.3%	100.0%	80.0%	79.1%
October													
Total Beds	6	6	6	5	2	2	2	2	2	4	1	1	39
Monthly Avg.	6.00	4.73	3.61	3.52	2.00	1.18	1.74	1.13	1.97	3.68	1.00	0.94	31.23
Monthly % Occupancy	100.0%	78.9%	60.2%	70.3%	100.0%	58.9%	87.1%	56.5%	98.4%	91.9%	100.0%	93.5%	80.9%

Based on data reported to the Vermont Department of Mental Health (DMH) by crisis bed programs for adult care using the electronic bed boards system. Programs are expected to report to electronic bed boards a minimum of once per day to update their census. State averages are adjusted to exclude programs on days where there were no updates submitted to the bed board.

The Second Spring - Williamstown program is based upon two beds that can be reallocated to intensive residential services as needed.

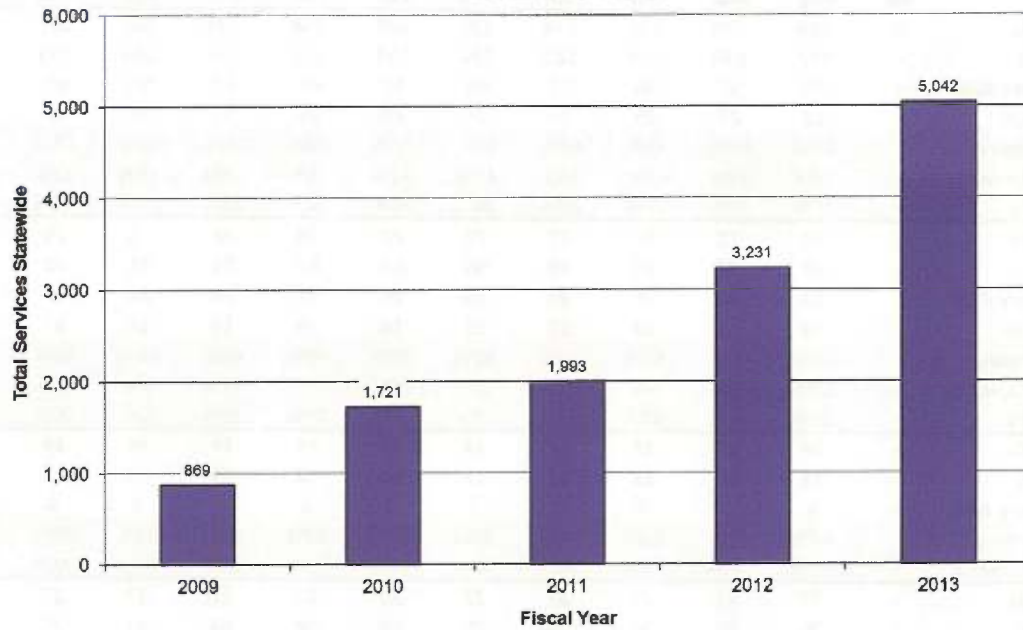
Graph 1

**Legislative Report to Mental Health Oversight Committee
and Health Care Oversight Committee
Crisis Bed Census Report
2013**



Graph 2

**Service Planning and Coordination Services Provided to Adult Outpatient Clients
FY2009 - FY2013**



Total Services			
Program of Service	FY12	FY13	% Change
Emergency	21,137	30,474	44%
AOP	79,519	88,819	12%
Total Served			
Program of Service	FY12	FY13	% Change
Emergency	5,823	6,443	11%
AOP	7,761	8,404	8%

Table 2

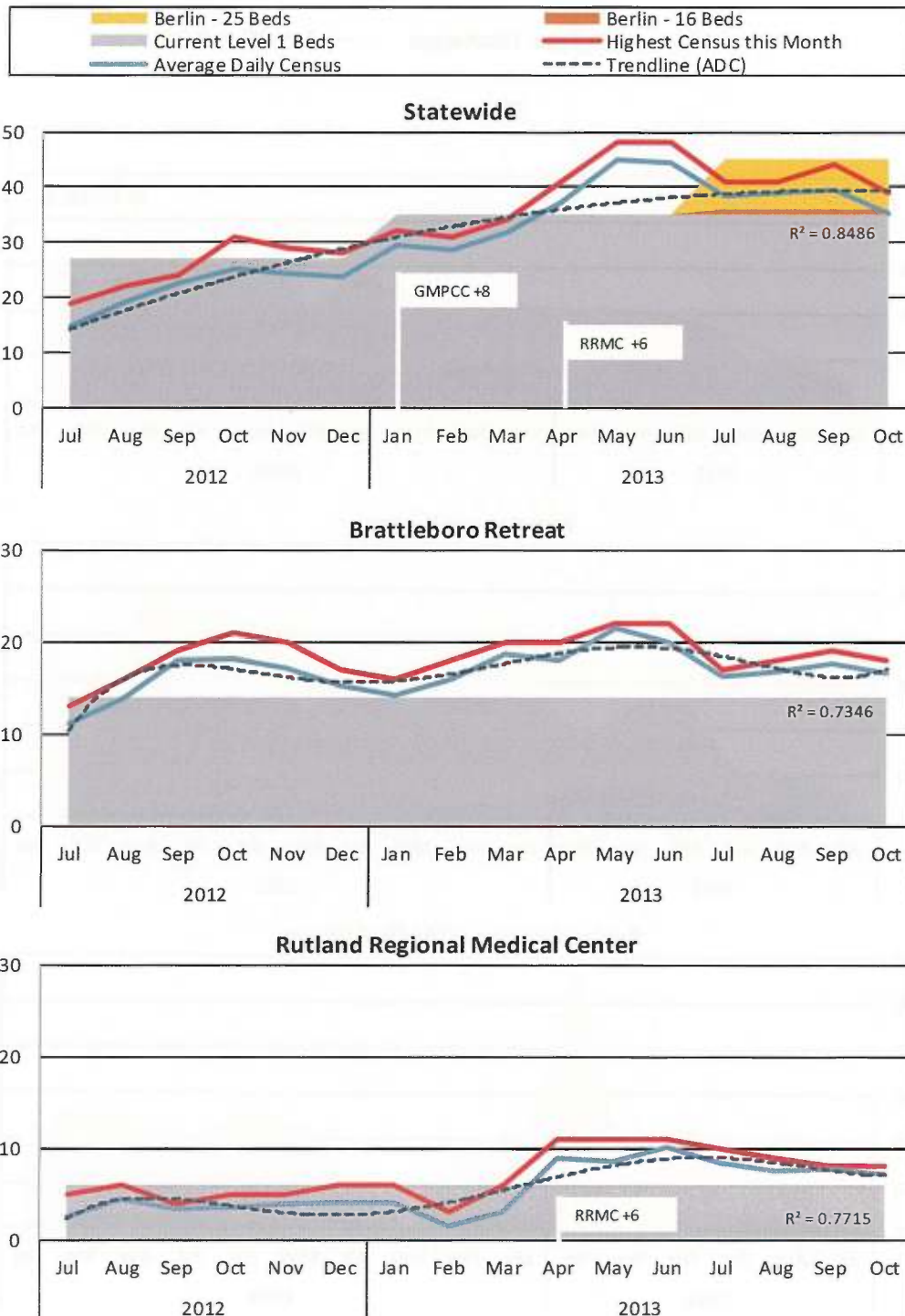
**Estimation of Voluntary Census at Inpatient Designated Hospitals
Level 1 and Non-Level 1: FY 2013**

		Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Statewide	Total Beds	-	139	139	139	139	139	147	148	149	162	157	157
	Total ADC	-	127	130	129	123	122	137	132	136	134	135	146
	Involuntary ADC	-	44	47	45	47	44	47	47	57	55	61	61
	Level 1 ADC	-	19	23	25	24	24	29	29	32	37	45	44
	% Voluntary	-	65%	64%	65%	62%	64%	66%	64%	59%	59%	55%	58%
	% Non-Level 1	-	19%	19%	16%	18%	16%	13%	14%	18%	13%	12%	11%
	% Level 1	-	15%	17%	20%	20%	19%	22%	22%	23%	28%	33%	30%
BR	Total Beds	-	72	72	72	72	72	72	73	74	75	75	75
	Total ADC	-	67	70	70	68	66	68	67	71	71	71	72
	Involuntary ADC	-	23	23	25	29	25	20	21	26	22	24	26
	Level 1 ADC	-	14	18	18	17	15	14	16	19	18	21	20
	% Voluntary	-	66%	67%	65%	57%	62%	70%	69%	63%	68%	66%	63%
	% Non-Level 1	-	13%	7%	9%	17%	15%	9%	7%	11%	6%	4%	9%
	% Level 1	-	21%	26%	26%	25%	23%	21%	24%	26%	26%	30%	28%
CVMC	Total Beds	-	14	14	14	14	14	14	14	14	14	14	14
	Total ADC	-	13	13	13	13	13	13	12	13	13	13	13
	Involuntary ADC	-	6	7	2	3	2	2	2	1	2	4	3
	% Voluntary	-	54%	50%	83%	80%	88%	87%	87%	90%	81%	69%	74%
	% Non-Level 1	-	46%	50%	17%	20%	12%	13%	13%	10%	19%	31%	26%
FAHC	Total Beds	-	27	27	27	27	27	27	27	27	27	27	27
	Total ADC	-	26	26	24	24	25	26	24	24	23	25	26
	Involuntary ADC	-	9	9	9	7	9	11	11	14	12	12	11
	Level 1 ADC	-	1	1	4	3	4	6	6	6	6	9	9
	% Voluntary	-	66%	64%	63%	72%	61%	57%	53%	44%	51%	53%	59%
	% Non-Level 1	-	30%	32%	22%	14%	21%	20%	20%	30%	23%	10%	7%
	% Level 1	-	4%	4%	14%	14%	17%	24%	27%	26%	27%	37%	34%
GMPCC	Total Beds	-	-	-	-	-	-	8	8	8	8	8	8
	Total ADC	-	-	-	-	-	-	6	8	8	8	8	8
	Involuntary ADC	-	-	-	-	-	-	6	8	8	8	8	8
	Level 1 ADC	-	-	-	-	-	-	5	5	4	4	6	6
	% Voluntary	-	-	-	-	-	-	2%	0%	0%	0%	0%	0%
	% Non-Level 1	-	-	-	-	-	-	17%	41%	54%	50%	31%	26%
	% Level 1	-	-	-	-	-	-	81%	59%	46%	50%	69%	74%
RRMC	Total Beds	-	14	15	15	15	15	16	15	15	23	21	20
	Total ADC	-	14	15	15	15	15	16	15	15	23	21	20
	Involuntary ADC	-	6	8	8	7	6	7	5	6	10	11	12
	Level 1 ADC	-	4	3	4	4	4	4	1	3	9	9	10
	% Voluntary	-	56%	48%	46%	52%	57%	57%	66%	62%	55%	47%	37%
	% Non-Level 1	-	13%	29%	31%	23%	15%	17%	25%	18%	6%	11%	12%
	% Level 1	-	31%	23%	23%	25%	28%	26%	10%	20%	39%	42%	51%
WC	Total Beds	-	10	10	10	10	10	10	10	10	10	10	10
	Total ADC	-	8	8	8	9	8	9	7	8	9	7	8
	Involuntary ADC	-	0	1	1	1	1	1	1	2	0	1	0
	% Voluntary	-	97%	87%	88%	89%	88%	88%	85%	77%	98%	82%	94%
	% Non-Level 1	-	3%	13%	13%	11%	12%	12%	15%	23%	2%	18%	6%

Based on data from the electronic bed boards for total average daily census and total beds available in conjunction with data maintained by DMH care managers regarding involuntary stays. Voluntary percentages are calculated by subtracting the percentage of Total average daily census divided by Involuntary average daily census from 100%. Data regarding Level 1 stays are maintained by the utilization review team. Average daily census for Level 1 stays represents the entirety of an individual's stay, which can include parts of a stay that were voluntary, before a patient was assessed as Level 1. Thus, percentages at hospitals for Level 1 contain both the voluntary and involuntary parts of an individual's inpatient stay.

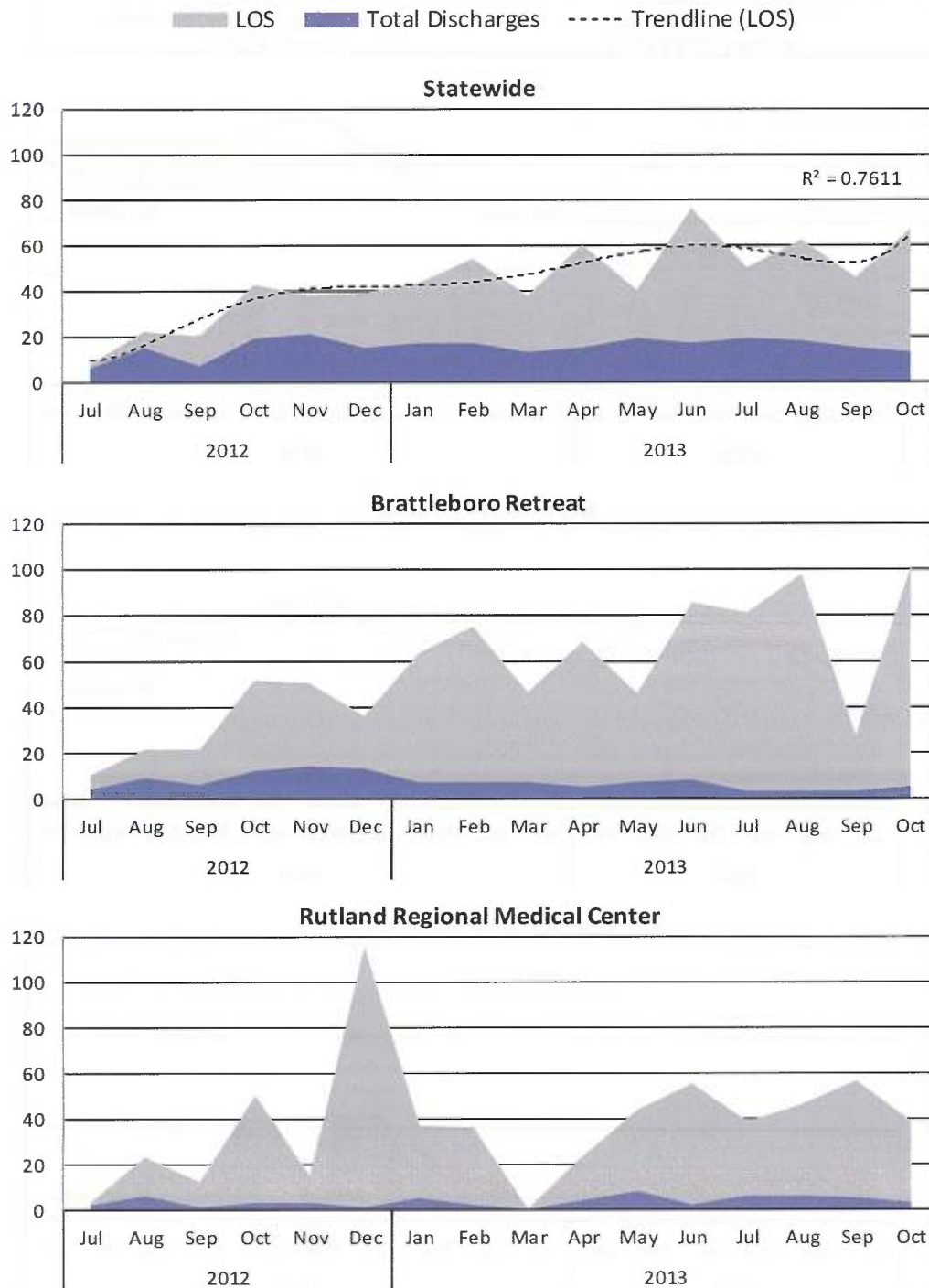
Graph 3

Level 1 Inpatient Capacity and Utilization July 2012 - October 2013



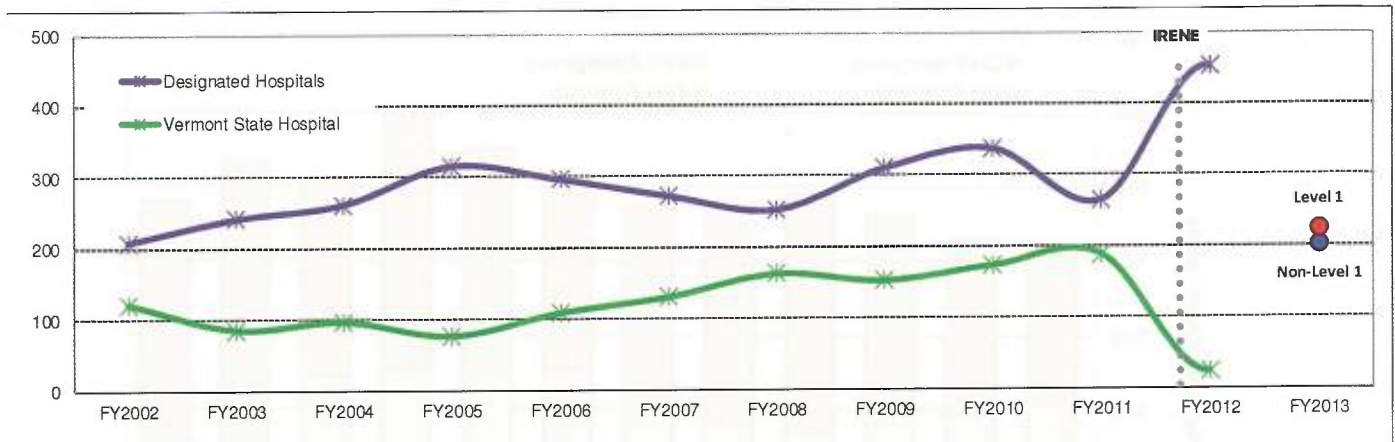
Graph 4

Level 1 Inpatient Lenth of Stay of Discharged Patients July 2012 - October 2013



Graph 5

Vermont Adult Inpatient Admissions for Emergency Examination FY2002 - FY2013



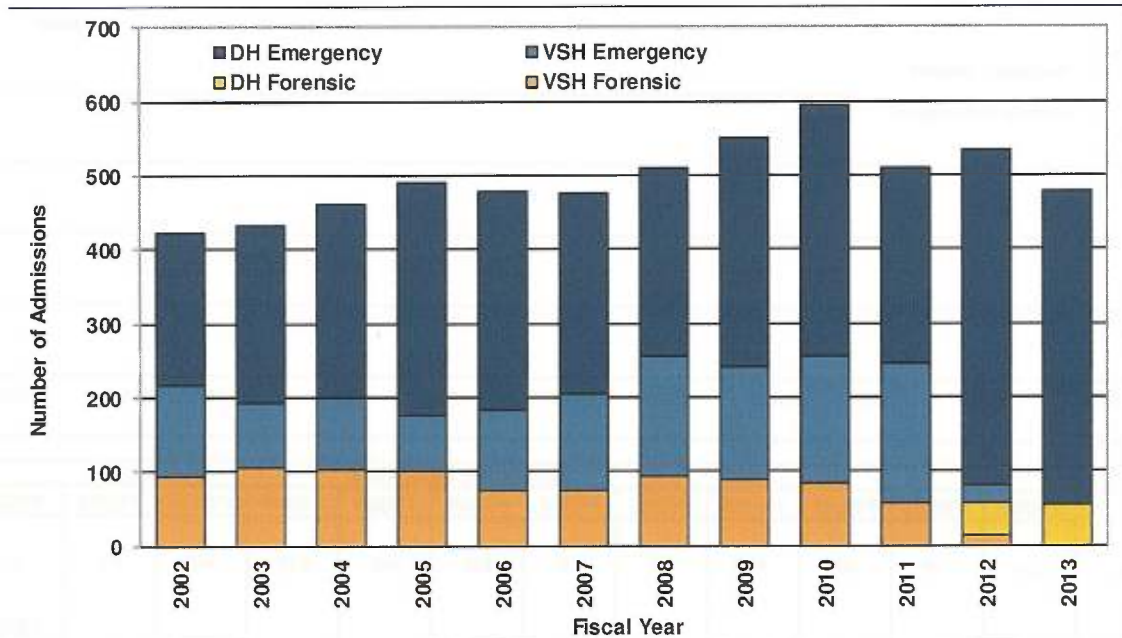
		Emergency Admissions												
		FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013*	Overall
Admissions		332	328	362	405	406	402	416	462	510	453	476	424	4,976
VSH													<u>Level 1</u>	
Number		121	85	96	76	108	130	162	152	173	188	24	223	1,538
Percent		36%	26%	27%	19%	27%	32%	39%	33%	34%	42%	5%	53%	31%
DH													<u>Non-Level 1</u>	
Number		211	243	266	329	298	272	254	310	337	265	452	201	3,438
Percent		64%	74%	73%	81%	73%	68%	61%	67%	66%	58%	95%	47%	69%

This analysis includes adult patients (aged 18 and over) who received involuntary mental health services at designated community hospitals (DH) and Vermont State Hospital (VSH). The DH analysis is based on adult patients in the involuntary inpatient data set maintained by the Vermont Department of Mental Health. The DHs include The Brattleboro Retreat, Central Vermont Medical Center, Fletcher Allen, Rutland, and The Windham Center. The VSH analysis is based on extracts from the Vermont State Hospital Treatment Episode database. This analysis includes VSH patients with a legal status at admission of emergency or warrant.

*FY2013 is broken into Level 1 and Non-Level 1 admissions.

Graph 6

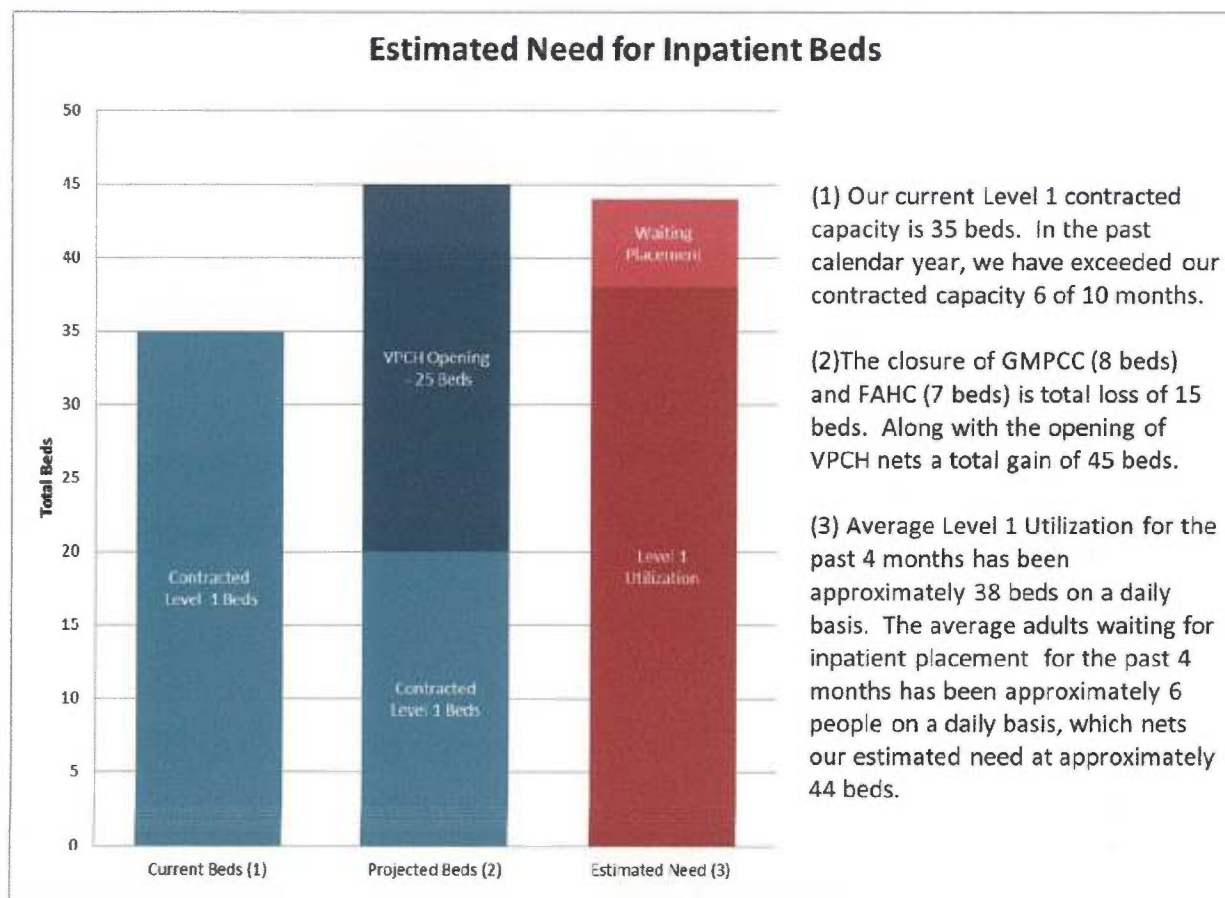
Vermont State Hospital and Designated Hospitals Emergency and Forensic Admissions FY2002 - FY2013



Fiscal Year	VSH Involuntary		DH Involuntary		Total Involuntary	
	Emergency Admissions	Forensic Admissions	Emergency Admissions	Forensic Admissions	Emergency Admissions	Forensic Admissions
	#	#	#	#	#	#
2002	121	95	208	0	329	95
2003	85	107	241	0	326	107
2004	96	104	261	0	357	104
2005	76	100	315	0	391	100
2006	108	75	296	0	404	75
2007	130	75	272	0	402	75
2008	162	95	252	0	414	95
2009	152	89	310	0	462	89
2010	173	84	337	0	510	84
2011	188	58	265	0	453	58
2012	24	13	452	45	476	58
2013	--	--	424	55	424	55

Analysis based on the Vermont State Hospital (VSH) Treatment Episode Database. Includes all admissions during FY1985 - FY2013 with a forensic legal status or emergency legal status at admission.

Graph 7





Department of Finance & Management
109 State Street, 5th Floor
 Montpelier, Vermont 05609-0401
www.state.vt.us/fin/

[phone] 802-828-2376
 [fax] 802-828-2428

Agency of Administration

To: Joint Fiscal Committee
 From: James Reardon, Commissioner of Finance & Management
 Date: November 21, 2013
 Subject: Report on FY 2014 Pay Act Allocations (per 3 VSA Sec 2281(4)).

Please find attached the report on distribution of the FY 2014 Pay Act, along with these explanatory comments.

The FY 2014 Pay Act appropriations for the Executive Branch are in 2012 Act 162 Sec. BB.1200 (a)(1)(A) [\$7,171,193 General Fund] and Sec. BB.1200 (a)(1)(B) [\$2,200,000 Transportation Fund]. The Judicial Branch is appropriated \$893,972 General Fund in Sec. BB.1200 (b)(2)(A), and the Legislative Branch is appropriated \$180,000 General Fund in Sec. BB.1200 (c)(1).

Of the GF amount described above, \$545,000 is committed to various non-salary items stipulated by the VSEA contract.

Please note that in all cases the agreed-upon FY 2014 employee salary increases will be honored. (The overall methodology used in developing pay act requirements is shown in Footnote #1, below.)

As in past years, the costs of the FY 2014 salary adjustments are being considered and addressed in the development of the proposed FY 2015 appropriations. Final Pay Act transfers occur near the end of the fiscal year and may differ from transfers listed in the attached schedule.

I would be pleased to respond to any questions.

Attachment

cc: House and Senate Committees on Appropriations and on Government Operations

.....

Footnote #1:

The methodology used in developing pay act requirements is as follows:

- Department pay act salary requirements (that is, the value of the FY 2014 salary increases, both COLA and steps) are projected position-by-position for all employees on payroll at the start of FY 2014. The pay act associated with budgeted overtime is also included, as is the value of the state share of benefits that attach to salary (FICA, retirement, life insurance, and LTD).
- The General and Transportation Fund shares of the required pay act are derived from the FY 2014 budget submissions, adjusted for legislative actions.
- The costs of various non-salary contract items are stipulated in certain articles of the State-VSEA Bargaining Agreement.

FY 2014 PAY ACT REPORT: 3 VSA SEC 2281(4)**

DRAFT

11/13/2013

	Pay Act Need - General Funds	Allocated Pay Act - General Funds	Pay Act Need - Transp. Funds	Allocated Pay Act - Transp. Funds
1100020000 - Secretary of Administration	7,931	7,931	-	-
1105500000 - DII - communication and information technology	-	-	-	-
1110003000 - Finance and management - budget and management	-	-	-	-
1115001000 - Finance and management - financial operations	-	-	-	-
1120010000 - Human resources - operations	46,771	46,771	-	-
1125000000 - Human resources - employee benefits & wellness	-	-	-	-
1130030000 - Libraries	-	-	-	-
1140010000 - Tax - administration/collection	338,981	338,981	-	-
1150100000 - Buildings and general services - administration	-	-	-	-
1150300000 - Buildings and general services - engineering	-	-	-	-
1150400000 - Buildings and general services - information centers	-	-	-	-
1150500000 - Buildings and general services - purchasing	-	-	-	-
1160050000 - Buildings and general services - postal services	-	-	-	-
1160100000 - Buildings and general services - copy center	-	-	-	-
1160150000 - Buildings and general services - fleet management	-	-	-	-
1160200000 - Buildings and general services - federal surplus property	-	-	-	-
1160250000 - Buildings and general services - state surplus property	-	-	-	-
1160300000 - Buildings and general services - property management	-	-	-	-
1160350000 - Buildings and general services - all other insurance	-	-	-	-
1160400000 - Buildings and general services - general liability	-	-	-	-
1160450000 - Buildings and general services - worker's comp	-	-	-	-
1160550000 - Buildings and general services - fee for space	-	-	-	-
1200010000 - Executive office - governor's office	-	-	-	-
1210001000 - Legislative council	37,293	37,293	-	-
1210002000 - Legislature	13,686	13,686	-	-
1210006400 - Legislative information technology	6,352	6,352	-	-
1220000000 - Joint fiscal committee	17,993	17,993	-	-
1230001000 - Sergeant at arms	6,170	6,170	-	-
1240001000 - Lieutenant governor	2,642	2,642	-	-
1250010000 - Auditor of accounts	6,593	6,593	-	-
1260010000 - State treasurer	-	-	-	-
1260160000 - State treasurer - unclaimed property	-	-	-	-
1270000000 - State labor relations board	2,359	2,359	-	-
1280000000 - VOSHA review board	217	217	-	-
2100001000 - Attorney general	83,188	83,188	-	-

FY 2014 PAY ACT REPORT: 3 VSA SEC 2281(4)**

DRAFT

11/13/2013

	Pay Act Need - General Funds	Allocated Pay Act - General Funds	Pay Act Need - Transp. Funds	Allocated Pay Act - Transp. Funds
2110000100 - Defender general - public defense	94,165	94,165	-	-
2110010000 - Defender general - assigned counsel	1,741	1,741	-	-
2120000000 - Judiciary	429,148	429,148	-	-
2130100000 - State's attorneys	278,461	278,461	-	-
2130200000 - Sheriffs	63,204	63,204	-	-
2140010000 - Public safety-state police	363,470	363,470	-	-
2140020000 - Public safety - criminal justice services	-	-	-	-
2140030000 - Public safety - emergency management	-	-	-	-
2140040000 - Public safety - fire safety	-	-	-	-
2140060000 - Public safety - administration	-	-	-	-
2140070000 - Public safety - homeland security	-	-	-	-
2140080000 - Public safety-radiological emergency response plan	-	-	-	-
2150010000 - Military - administration	9,844	9,844	-	-
2150020000 - Military - air service contract	5,592	5,592	-	-
2150030000 - Military - army service contract	2,016	2,016	-	-
2150040000 - Military - building maintenance	25,207	25,207	-	-
2150050000 - Military - veterans' affairs	47,921	47,921	-	-
2170010000 - Criminal justice training council	20,466	20,466	-	-
2200010000 - Agriculture, food and markets - administration	16,210	16,210	-	-
2200020000 - Agriculture - food safety and consumer protection	54,213	54,213	-	-
2200030000 - Agriculture - agricultural development	13,979	13,979	-	-
2200040000 - Agriculture - labs, resources management and environmental	29,066	29,066	-	-
2210001000 - Financial regulation - banking	-	-	-	-
2210011000 - Financial regulation - insurance	-	-	-	-
2210020000 - Financial regulation - captive insurance	-	-	-	-
2210031000 - Financial regulation - securities	-	-	-	-
2210040000 - Financial regulation - health care administration	-	-	-	-
2210080000 - Financial regulation - administration	-	-	-	-
2230010000 - Secretary of state	-	-	-	-
2240000000 - Public service - regulation and energy	-	-	-	-
2250000000 - Public service board	-	-	-	-
2260001000 - Enhanced 9-1-1 Board	-	-	-	-
2280001000 - Human rights commission	5,310	5,310	-	-
2300002000 - Liquor control - enforcement and licensing	-	-	-	-
2300003000 - Liquor control - administration	-	-	-	-

FY 2014 PAY ACT REPORT: 3 VSA SEC 2281(4)**

11/13/2013

DRAFT

	Pay Act Need - General Funds	Allocated Pay Act - General Funds	Pay Act Need - Transp. Funds	Allocated Pay Act - Transp. Funds
2300007000 - Liquor control - warehousing and distribution	-	-	-	-
2310010000 - Lottery commission	-	-	-	-
3150070000 - Mental health - mental health	10,103	10,103	-	-
3300010000 - Vermont veterans' home - care and support services	-	-	-	-
3310000000 - Commission on women	3,499	3,499	-	-
3330010000 - Green Mountain Care Board	-	-	-	-
3400001000 - Agency of human services - secretary's office	61,307	61,307	-	-
3400008000 - Rate setting	-	-	-	-
3400009000 - Develop disabilities council	-	-	-	-
3400010000 - Human services board	2,151	2,151	-	-
3410010000 - Department of Vermont health access - administration	3,853	3,853	-	-
3420010000 - Health - administration and support	40,689	40,689	-	-
3420021000 - Health - public health	209,427	209,427	-	-
3420060000 - Health - alcohol & drug abuse programs	19,330	19,330	-	-
3440010000 - DCF - Administration & support services	354,900	354,900	-	-
3440020000 - DCF - family services	173,889	173,889	-	-
3440030000 - DCF - child development	70,985	70,985	-	-
3440040000 - DCF - office of child support	82,011	82,011	-	-
3440100000 - DCF - office of economic opportunity	5,503	5,503	-	-
3440110000 - DCF - OEO - weatherization assistance	-	-	-	-
3440120000 - DCF - Woodside rehabilitation center	19,436	19,436	-	-
3440130000 - DCF - disability determination services	-	-	-	-
3460010000 - DAIL - administration & support	156,645	156,645	-	-
3480001000 - Corrections - Administration	44,419	44,419	-	-
3480002000 - Corrections - Parole Board	-	-	-	-
3480003000 - Corrections - Education	-	-	-	-
3480004000 - Corrections - Correctional Services	1,803,054	1,803,054	-	-
3480005000 - Corrections - correctional facilities - recreation	-	-	-	-
3675001000 - Corrections - Vermont offender work program	-	-	-	-
4100500000 - Labor - programs	-	-	-	-
5100010000 - Education - finance and administration	72,172	72,172	-	-
5100070000 - Education Services	61,469	61,469	-	-
5100170000 - Education - tobacco litigation	-	-	-	-
5100310000 - Education - cost containment - Act 117 of 2000	-	-	-	-
6100010000 - Agency of natural resources - administration	79,029	79,029	-	-

FY 2014 PAY ACT REPORT: 3 VSA SEC 2281(4)**

11/13/2013

DRAFT

	Pay Act Need - General Funds	Allocated Pay Act - General Funds	Pay Act Need - Transp. Funds	Allocated Pay Act - Transp. Funds
6120000000 - Fish and wildlife - support and field services	280,000	280,000	-	-
6130010000 - Forests, parks and recreation - administration	23,511	23,511	-	-
6130020000 - Forests, parks, and recreation - forestry	133,049	133,049	-	-
6130030000 - Forests, parks, and recreation - state parks	-	-	-	-
6130040000 - Forests, parks, and recreation - lands administration	11,783	11,783	-	-
6140020000 - Environmental conservation - management and support services	7,912	7,912	-	-
6140030000 - Environmental conservation - air and waste management	7,600	7,600	-	-
6140040000 - Environmental conservation - office of water programs	104,488	104,488	-	-
6215000000 - Natural resources board	17,060	17,060	-	-
7100000000 - Agency of commerce and community development - admin.	51,467	51,467	-	-
7110010000 - Housing and community development	46,421	46,421	-	-
7120010000 - Economic Development	-	-	-	-
7130000000 - Tourism and marketing	16,397	16,397	-	-
7150020000 - Vermont life	-	-	-	-
8100000100 - Transportation - finance and administration	-	-	359,607	359,607
8100000200 - Transportation - aviation	-	-	19,213	19,213
8100000800 - Transportation board	-	-	-	-
8100001100 - Transportation - program development	-	-	378,961	378,961
8100002000 - Transportation - maintenance state system	-	-	927,948	927,948
8100002100 - Department of motor vehicles	-	-	433,111	433,111
8100002200 - Transportation - policy and planning	-	-	39,714	39,714
8100002300 - Transportation - rail	-	-	38,488	38,488
8100005700 - Transportation - public transit	-	-	2,958	2,958
8110000200 - Transportation - central garage	-	-	-	-
Executive Branch Salary Costs	5,493,105	5,493,105	2,200,000	2,200,000
Legislative Branch Salary Costs	81,494	81,494	-	-
Judicial Branch Salary Costs	429,148	429,148	-	-
Total Salary Costs	6,003,748	6,003,748	2,200,000	2,200,000

FY 2014 PAY ACT REPORT: 3 VSA SEC 2281(4)**

11/13/2013

DRAFT

	Pay Act Need - General Funds	Allocated Pay Act - General Funds	Pay Act Need - Transp. Funds	Allocated Pay Act - Transp. Funds
Executive Branch Salary Increase Costs - General Funds	5,493,105			
HR Non-Salary Pay Act Items	545,000			
Vermont Historical Society - Pay Increase per 22 VSA Sec. 285	36,965			
VTA Reclassification	1,201,614			
Total Executive Branch - General Funds	7,276,684			
Appropriated Executive Branch Pay Act - General Funds	7,171,193			
FY2013 Pay Act Carryforward Balance	105,491			
Net Exec. Pay Act Balance - General Funds	-			
Executive Brance Salary Increase Costs - Transportation Funds	2,200,000			
Appropriated Executive Branch Pay Act - Transportation Funds	2,200,000			
Net Exec. Pay Act Balance - Transportation Funds	-			
Legislative Branch Salary Increase Costs	81,494			
Appropriated Legislative Branch Pay Act	180,000			
Net Leg. Pay Act Balance	98,506			
Judicial Branch Salary increase Costs	429,148			
Appropriated Judicial Brance Pay Act	893,972			
Net Jud. Pay Act Balance	464,824			

**Final Pay Act transfers occur near the end of the fiscal year and may differ from transfers listed above.

Pay Act appropriations are found in 2012 Act 162 Sec. BB.1200



STATE OF VERMONT
JOINT FISCAL OFFICE

MEMORANDUM

To: Joint Fiscal Committee Members
From: Nathan Lavery, Fiscal Analyst
Date: November 18, 2013
Subject: Small Grant & Gift Quarterly Report

In accordance with the provisions of 32 V.S.A. § 5(a)(3), the Joint Fiscal Office is required to submit quarterly reports for small grant and gift requests with a value of \$5,000 or less.* For the quarter ending September 30, 2013, the Joint Fiscal Office received notification of the following items:

1. \$2,500 grant from Vermont Community Foundation to the Vermont Agency of Agriculture. This funding supported work on the Working Lands Enterprise Board Symposium.
[JFO received 8/7/13]

32 V.S.A. § 5(a)(3):

(3) This section shall not apply to the acceptance of grants, gifts, donations, loans, or other things of value with a value of \$5,000.00 or less, or to the acceptance by the department of forests, parks and recreation of grants, gifts, donations, loans, or other things of value with a value of \$15,000.00 or less, provided that such acceptance will not incur additional expense to the state or create an ongoing requirement for funds, services, or facilities. The secretary of administration and joint fiscal office shall be promptly notified of the source, value, and purpose of any items received under this subdivision. The joint fiscal office shall report all such items to the joint fiscal committee quarterly.

* Act 146 of the Acts of 2009 Adj. Session (2010), Sec. B.15 amended 32 V.S.A. § 5(a)(3) to permit the Department of Forests, Parks and recreation to accept grants with a value of up to \$15,000 under the "small grants" procedure. This change was part of the "Challenges for Change" initiative.



State of Vermont
 Agency of Administration
 Department of Finance & Management
 Pavilion Office Building
 109 State Street
 Montpelier, VT 05609-0201
www.state.vt.us/fin

[phone] 802-828-2376
 [fax] 802-828-2428

Jim Reardon, Commissioner

MEMORANDUM

TO: Joint Fiscal Committee
FROM: Jim Reardon, Commissioner of Finance & Management
DATE: October 30, 2013
RE: Excess Receipts Report – 32 VSA Sec 511

In accordance with 32 VSA Sec 511, please find attached the report on Excess Receipts approved for expenditure during the first quarter of FY 2014 (7/1/2013 through 9/30/13). The full text of the governing statute is provided at the end of this memo.

Review Process

The Administration goes through an extensive application and approval process for allowing expenditure of excess receipts. The form required of departments can be found at: http://finance.vermont.gov/sites/finance/files/pdf/forms/budget/Excess_Receipts_Form.doc (at <http://finance.vermont.gov/forms> under the "Budget" category). The form requires information to ensure that the approval does not overstep statutory guidelines. Requests that overstep the statutory guidelines are denied, and/or where appropriate are held for the legislative budget process.

Departments are required to provide written answers to the following questions (although only the response to the first question is entered into the VISION database):

- Reason funds are available?
- Do you anticipate additional funds from the same source available in this fiscal year and above current appropriation?
- Is this increase one-time or at an ongoing level?
- Why were funds not fully budgeted during budget development?
 - What is the current year appropriation or grant amount approved by the Joint Fiscal Committee for this fiscal year, from this source of funds for this purpose?
- If these are ongoing funds, will funds from this source be fully budgeted and appropriated next fiscal year?
- Were excess receipts requested from this source in the preceding two fiscal years? If so, explain why they were not budgeted?
- Are these excess receipts being received from another department (i.e., interdepartmental transfers)? If so, are they appropriated in that department or will excess receipts be required there as well?



- Relationship, if any, to the Budget Adjustment Act?
- Can excess receipts be used to reduce the expenditure of State funds?
- **Will excess receipts establish or increase the scope of a program, committing the State at any time to expend State funds?** [The form notes that in such instances, legislative approval is required.]
- What specifically will excess receipts be used for? What is the impact on programs if this excess receipt request is not approved?
- Are any of the excess receipts to be used for your department's administrative, staff or operating expenses? If so, explain.
- Is there any matching fund requirement due to excess receipts? If so, where is the match found in your budget?
- If excess receipts are earned federal receipts, is excess receipt being spent in the same (federal) program where the excess receipts are earned? If not, explain.
- Has the excess receipt been received and deposited? If no, what date are funds expected?
- If approved, when will the expenditure of this excess receipt first occur?

The VISION entry normally includes only the response to the first question – why are additional receipts available? However, for any individual Excess Receipt Request, we can provide the full paper copy of the form, listing all the department's responses.

Broad Categories of Excess Receipt Requests

Requests for expenditure of excess receipts generally fall into several broad categories:

Interdepartmental Transfers: It is not uncommon for one State department ("Department A") to purchase services from another State department ("Department B"). In that instance, Department A budgets these expenditures just as they would any other type of expenditure: by type of expenditure and by the source of revenue that will fund these expenditures. Department B also budgets these expenditures, and identifies the source of revenue as "interdepartmental transfers." This process results in a small amount of "double-booking" of spending authority but ensures that both departments have the necessary spending authority. In many cases, at the time of budget development, Department A has not yet decided from where to purchase the services in question, so Department B does not budget the interdepartmental transfer revenues. When Department A moves forward to contract for services with Department B after the budget has closed, then Department B must request an Excess Receipts approval for the additional spending authority to perform the services.

Federal Funds: Departments estimate their likely federal receipts in the fall for the upcoming budget year, meaning the estimate is as much as nine-months old at the start of the budget year, and another 12 months older by the end of the budgeted fiscal year. As a result, more recent developments may mean that the budgeted federal spending authority is insufficient, either because the current federal award for an existing grant has been increased, or there is spending authority from grants from earlier federal fiscal years that can be used in the current year. Additionally, extraordinary events – such as the federal American Recovery and Reinvestment Act (ARRA) or federal aid to Vermont due to Tropical Storm Irene – may cause large – and unanticipated -- spikes in federal receipts.

Other: There are over 200 different special funds created under State law, in which are deposited fees, user charges, penalties, specified taxes, etc. Departments estimate how much they will collect each year for each of these special funds, and base their spending plans accordingly. However, for the same reasons noted above, the actual collections for these revenues may be higher than the original budget. Excess receipts may also be used in an instance where prior-year special fund spending authority was not utilized and needs to be created again in the subsequent year (similar to a carry-forward). It should be noted that in addition to the restrictions in the excess receipts statute, each special fund has its own statutory restrictions that prevent the funds being used for other than their intended purposes and programs.

Attached Report:

The attached report is a cumulative list of approved excess receipt requests for the current fiscal year. It includes ALL the data entered in VISION for that transaction, including:

- Agency/Department name
- Appropriation name and "DeptID"
- Transaction date
- Fund source – name and fund number
- Amount
- Comments in response to question: "Why are funds available?" (VISION allows for a limited number of characters per cell entry.)

The data are sorted into the three broad categories of requests discussed above.

Governing Statute:

32 V.S.A. § 511. EXCESS RECEIPTS

If any receipts including federal receipts exceed the appropriated amounts, the receipts may be allocated and expended on the approval of the commissioner of finance and management. If, however, the expenditure of those receipts will establish or increase the scope of the program, which establishment or increase will at any time commit the state to the expenditure of state funds, they may only be expended upon the approval of the legislature. Excess federal receipts, whenever possible, shall be utilized to reduce the expenditure of state funds. The commissioner of finance and management shall report to the joint fiscal committee quarterly with a cumulative list and explanation of the allocation and expenditure of such excess receipts.

Attachment

FY 2014 Excess Receipts Report - Q1 Cumulative - Run 10-24-13							
Agency/Dept Name	Appropriation Name	Appropriation Dept#	Date	Fund#	Fund Name	Amount	Comments
Interdepartmental Transfer Excess Receipts							
Agency of Admin Sec Office	Secretary of Administration	1100020000	9/17/2013	21500	Inter-Unit Transfers Fund	300,000.00	Sec of Admin entered into MOU with DVHA for Health Care Exchange Grant.
Public Safety	DPS-Fire Safety	2140040000	9/13/2013	21500	Inter-Unit Transfers Fund	12,500.00	The FY12 balance of these funds was not fully expended in FY13.
Public Safety	DPS-Administration	2140060000	7/23/2013	21500	Inter-Unit Transfers Fund	600,000.00	To fully leverage our Federal Funds it is necessary to pool the costs that can not be directly attributable to a specific grant. These funds will be recouped by use of our approved indirect rate.
Center of Crime Victims' Serv	Victims Compensation	2180010000	7/12/2013	21500	Inter-Unit Transfers Fund	21,979.38	MOU between DCF and VCCVS for Children's Justin Act Grant from U.S Dept of Health and Human Services. Grant number F1001VTCJAI.
Agriculture, Food & Markets	Food Safety/Consumer Assurance	2200020000	8/5/2013	21500	Inter-Unit Transfers Fund	630.00	Dog licensure fees
Green Mountain Care Board	Green Mountain Care Board	3330010000	8/30/2013	21500	Inter-Unit Transfers Fund	613,900.18	Funds available through an MOU with DVHA as part of funding for the SIM Grant project that the Green Mt Care Board is working on.
Forest, Parks & Recreation	Administration	6130010000	9/16/2013	21500	Inter-Unit Transfers Fund	500,000.00	Funds available because of FEMA disaster assistance received in FY12 from VTrans for the spring flood event & Tropical Storm Irene.
Agency of Transportation	Program Development	8100001100	7/16/2013	21500	Inter-Unit Transfers Fund	10,000.00	Funds available for costs assoc with expenses for temp employee (Dan Peterson) who has dual employment with VTrans and DPS. VTrans will bill DPS via a TSF journal for the expenses incurred relating to his employment with DPS.
Federal Funds (including "regular" ARRA) excess receipts:							
Buildings & Gen Serv-Capital	Vet's Home-HVAC Renovations	0820000200	7/26/2013	22005	Federal Revenue Fund	145,305.89	This request is to re-establish spending authority for the unspent balance as of June 30, 2013.
Public Safety	DPS-State Police	2140010000	8/5/2013	22040	ARRA Federal Fund	205,000.00	ARRA Funds - Expenses to fully spend the ARRA funds that were awarded to DPS were not invoiced in SFY13. This ER request is being made to allow those expenses and to transfer some expenses to the correct appropriation.
Public Service Department	Regulation & Energy Efficiency	2240000000	9/13/2013	22040	ARRA Federal Fund	215,335.00	ARRA - Funds available from grants from US Dept of Commerce & Dept of Energy. Fund to be used for ongoing salary & benefits as well as OH and 3rd party contract.
Children and Family Services	DCFS - OEO Weatherization	3440110000	9/23/2013	22040	ARRA Federal Fund	206,768.00	ARRA - Carry forward Weatherization ARRA grant award
Education	Education Services	5100070000	9/12/2013	22040	ARRA Federal Fund	296,748.00	ARRA - School district grants
Special Fund excess receipts:							
Buildings & Gen Serv-Capital	BGS-Various Property Sales	0904300250	9/12/2013	21613	BGS-Sale of State Land	12,979.04	Re-establish spending authority as of 6/30/13.
Agency of Admin Sec Office	WC-Sarcoidosis Claims	1100130000	9/3/2013	21911	Sarcoidosis Benefit Trust Fund	2,500.00	A transfer from the General Fund is expected. Funds to be used for payment to a claimant.
Agency of Admin Sec Office	WC-Sarcoidosis Claims	1100130000	8/7/2013	21911	Sarcoidosis Benefit Trust Fund	337.20	A transfer from the General Fund are anticipated.
Buildings & Gen Serv-Capital	BGS - Various Projects	1104000022	7/26/2013	21906	Misc Grants Fund	6,796,855.75	Re-Establish spending authority as of 6/30/13 for the unspent balance.
Libraries	Department of Libraries	1130030000	7/26/2013	21870	Misc Special Revenue	22,664.09	These funds per transferred from the VI Telecommunications Auth to Libraries for the purpose of bringing fiber connectivity to 43 public libraries and some 200 community anchor institutions.
Libraries	Department of Libraries	1130030000	7/26/2013	21883	Gates Foundation Grants	274,531.63	Opportunity Online Broadband Grant from Bill & Melinda Gates Foundation to provide funding for fiber broadband connectivity to 53 Public Libraries included in VI Fiber Connect project.
Libraries	Department of Libraries	1130030000	7/26/2013	21908	Misc Grants Fund	61,823.47	These fund were rec'd as a grant from Google, Inc. to the Dept of Libraries for the purpose of establishing seven video conferencing sites in Public Libraries around the state.
Buildings & Gen Serv-Gov'tal	BGS- Recycling Efforts	1150080000	9/12/2013	21604	BGS-Recycling Efforts	30,000.00	Receipts have exceeded expenses.
Buildings & Gen Serv-Gov'tal	BGS-Information Centers	1150400000	7/12/2013	21603	Motorist Aid Refreshment Prog	90,000.00	Funds paid by motorists at Info Centers by donation for coffee. Funds used for operating costs for the Info Centers.
Buildings & Gen Serv-Gov'tal	BGS-Information Centers	1150400000	7/12/2013	21822	ACCD/Tourism & Marketing Broch	225,000.00	Vendors pay BGS to store and display their business brochures at teh State Info Centers. The amount charged is now part of the annual Fee bill request.

FY 2014 Excess Receipts Report - Q1 Cumulative - Run 10-24-13

Agency/Dept Name	Appropriation Name	Appropriation Depld	Date	Fund No	Fund Name	Amount	Comments
Buildings & Gen Serv-Gov'tal	BGS-Information Centers	1150400000	9/6/2013	21870	Misc Special Revenue	25,000.00	To pay the transit company for commuter bus service being used by Capitol Complex employees as part of a Pilot Project to encourage commuting for Montpelier employees.
State Treasurer-Gov'tal	Bond Issuance Costs	1260120000	8/23/2013	32101	TIB Proceeds Fund	297,537.90	Sale of 2013 Transportation Infrastructure Bonds, bond issuance costs
State's Attorneys and Sheriffs	State's Attorneys	2130100000	9/12/2013	21891	State's Att & Sheriff-Misc	55,018.00	Increase the position from Part-Time to Full-Time with benefits
Public Safety	DPS-State Police	2140010000	9/10/2013	21908	Misc Grants Fund	2,235.00	VSP received funding from the Commonwealth of Massachusetts.
Public Safety	DPS-Criminal Justice Services	2140020000	9/13/2013	21584	Surplus Property	13,400.00	From the sale of items at State Surplus.
Public Safety	DPS-Emergency Management	2140030000	9/13/2013	21584	Surplus Property	17,500.00	From the sale of items at State Surplus
Agriculture, Food & Markets	Ag Development Division	2200030000	8/5/2013	21493	VT Working Lands Enterprise	1,026,080.46	Act 162 Sec B .1106
Agriculture, Food & Markets	Large Animal Vet Loan Forgive	2200891301	8/30/2013	21992	Next Generation Initiative Fnd	2,215.19	Remainder of FY13 appropriation - Grant agreement exists obligating entire appropriation with \$2215.19 yet to be liquidated.
Financial Regulation	Securities Division	2210031000	9/6/2013	21906	Financial Services Education	40,000.00	Over the last seven years some settlement funds have been deposited into this special fund. These funds will be used to pay a personal services contract with Champlain College.
Public Service Department	Regulation & Energy Efficiency	2240000000	9/13/2013	21898	PSD - Billback & EEU pass thru	3,981,000.00	Funds to be used for much higher contractual and 3rd party services related to the Entergy/Vermont Yankee case.
Liquor Control	DLC - Administration	2300003000	7/12/2013	21525	Conference Fees & Donations	5,526.05	Balance left in Conference Fees fund used for VT Teen Leadership Fund; account no longer in use.
Forest, Parks & Recreation	Administration	6130010000	7/16/2013	21525	Conference Fees & Donations	25,000.00	The receipts in 21525 are available from Project Learning Tree workshop fees and grants. The receipts in 21550 are available from license, special use permits, and timber sales.
Forest, Parks & Recreation	Administration	6130010000	7/16/2013	21550	Lands and Facilities Trust Fd	100,000.00	The receipts in 21525 are available from Project Learning Tree workshop fees and grants. The receipts in 21550 are available from license, special use permits, and timber sales.
Forest, Parks & Recreation	Forestry	6130020000	7/16/2013	21525	Conference Fees & Donations	10,000.00	The receipts are available from Urban & Community Forestry workshop fees and misc grant and donations, including Arbor Day donations.
Forest, Parks & Recreation	Parks	6130030000	7/23/2013	21525	Conference Fees & Donations	68,000.00	A grant was received from the Litchfield Foundation for expanding FPR capabilities to enhance public recreation opportunities. FPR received approval from the JFO (#2615) on 4/19/13 to spend the total grant award of \$68,000.
Forest, Parks & Recreation	Vt Youth Conservation Corps	6130080000	8/14/2013	21779	FPR-Youth Conservation Corps	150,000.00	The receipts in fund 21779 are available because of a cash assistance MOA between VYCC and FPR. VYCC will reimburse FPR by the end of FY2014.
Forest, Parks & Recreation	Vt Youth Conservation Corps	6130080000	8/14/2013	21779	FPR-Youth Conservation Corps	(150,000.00)	The receipts in fund 21779 are available because of a cash assistance MOA between VYCC and FPR. VYCC will reimburse FPR by the end of FY2014.
Forest, Parks & Recreation	Vt Youth Conservation Corps	6130080000	8/14/2013	21779	FPR-Youth Conservation Corps	150,000.00	The receipts in fund 21779 are available because of a cash assistance MOA between VYCC and FPR. VYCC will reimburse FPR by the end of FY2014.
Housing & Comm Development	Housing & Community Affairs	7110010000	7/12/2013	21820	ACCD-Miscellaneous Receipts	1,965,482.00	Match from VHCB for Hazard Mitigation Grant Program (HMGP) property buyouts at a 25% level as a priority per the Administration.
Housing & Comm Development	Housing & Community Affairs	7110010000	9/23/2013	21330	Municipal & Regional Planning	4,500.00	Encumbrance No. 3589 for Hinesburg Town Treasurer did not roll properly at fiscal year end therefore requiring excess receipts.
Economic Development	Performance Grants 13	7120891301	8/1/2013	21992	Next Generation Initiative Fnd	125,000.00	Carry forward from FY 2013
Economic Development	STEM Incentive 13	7120891302	8/1/2013	21992	Next Generation Initiative Fnd	29,100.00	Carry forward from FY 2013
Agency of Transportation	Rail	8100002300	8/23/2013	20155	Transportation-FRA Fund	70,000.00	Funds are available for the Bi-State Intercity Rail Corridor Track 3 Planning project.
Agency of Transportation	Rail	8100002300	8/23/2013	20160	Transportation Local Fund	35,000.00	Funds are available for the Bi-State Intercity Rail Corridor Track 3 Planning project.
Agency of Transportation	Rail	8100002300	7/16/2013	20183	ARRA FRA Fund	1,496,375.00	ARRA Funds - Available for project - Amtrak Vermonter - RR-FY11-AR02
Agency of Transportation	Town Highway Bridge	8100002800	9/26/2013	20180	ARRA FHWA Fund	36,422.92	Funds are available from Town Highway Bridge ARRA project - Montpelier BHF 6400(31)
Agency of Transportation	Public Assistance Program	8100005500	9/17/2013	21555	Emergency Relief & Assist Fd	135,000.00	FEMA disaster declaration FEMA-4120-DR-VT. ERAF funds provide state match for the FEMA funds.
AOT Proprietary Funds	Central Garage	8110000200	7/23/2013	57100	Highway Garage Fund	443,342.42	Funds are the unexpended balance in equipment replacement account at the end of FY13. Funds will be used for equipment purchases per Title 19, Sec. 13(c).

FY 2014 Excess Receipts Report - Q1 Cumulative - Run 10-24-13							
VT EXCESS RECEIPT RPT	S2						
Agency/Dept Name	Appropriation Name	Appropriation Dept Id	Date	Fund	Fund Name	Amount	Comments
Buildings & Gen Serv-Capital	Duxbury/Moretown Land Sale	9810200000	7/28/2013	21600	BGS-Duxbury/Moretown	15,322.82	Replenish spending authority as of 6/30/13. We still have advertising, appraisals, recording fees, environmental studies in anticipation of selling the property.

State of Vermont
Agency of Administration
Department of Finance & Management
Pavilion Office Building
109 State Street
Montpelier, VT 05609-0201
www.finance.vermont.gov

[phone] 802-828-2376
[fax] 802-828-2428

Jim Reardon, Commissioner

MEMORANDUM

TO: Joint Fiscal Committee
FROM: James B. Reardon, Commissioner of Finance & Management
DATE: October 23, 2013
RE: Special Funds Created in FY2013; Special Fund Balances at End of FY2013

Pursuant to 32 VSA Sec. 588(6), I am herewith submitting to the Joint Fiscal Committee the list of Special Funds created in FY2013, with name, authorization and revenue source; and the list of Special Funds and their balances at the end of FY2013.

Attachment

keep:Special Funds created FY13	10/23/13 1:13 PM	
Report on Special Funds created in FY 2013		
Submitted to the Joint Fiscal Committee pursuant to 32 VSA Sec 588(6)		
<u>Dept/Name of Fund</u>	<u>Authorization</u>	<u>Revenue Source</u>
<u>Dept. Fish & Wildlife</u>		
Species & Habitat Conservation Fund	10 VSA Sec 4047(f)	Federal funds, grants, private contributions, and mitigation payments directed towards fish and wildlife species and habitat conservation.
Threatened & Endangered Species Fund	10 VSA Sec 5408(f)(2)	Application fees for taking threatened or endangered species and mitigation payments.
<u>Office of the Attorney General</u>		
DLS Diversion Fund	2012 Act 147 Sec 6, as amended by 2013 Act 1 Sec 6	DLS Diversion Program participants.
<u>Dept. of Taxes</u>		
Supplemental PropertyTax Relief Fund	32 VSA Sec 6075	End-of-fiscal year 2013 General Fund Balance Reserve, pursuant to 32 VSA Sec 308c(a)(2).
<u>Secretary of State</u>		
Secretary of State Services Fund	3 VSA Sec 118	All revenues collected by the Secretary of State, except for public records management and for the Office of Professional Regulation.

Special Fund Summary EOFY 2013 - for JFC report 10-23-13						
Special Fund Summary EOFY 2013						
Special Fund Name	SF #	Fund Net Assets 7/1/12	All Revenues	All Expenses	Other Financing Sources (Uses)	Fund Net Assets 6/30/13
Financial Literacy Trust Fund	21001	23,558.48	11,298.31	(11,684.36)	0.00	23,172.43
FMS System Development Fund	21005	(1,227,636.86)	599,772.00	0.00	0.00	(627,864.86)
Elva S Smith Bequest	21015	35,464.75	21,177.37	(24,569.15)	0.00	32,072.97
Lw-lvl Radioactive Waste Cmpct	21020	(209,393.94)	203,539.42	(95,765.95)	0.00	(101,620.47)
Radiological Emerg Response	21025	59,384.68	1,838,970.82	(2,243,168.03)	0.00	(344,812.53)
Public Defender Special Fund	21050	119,610.89	632,962.03	(630,523.67)	0.00	122,049.25
Misc Fines & Penalties	21054	754,022.07	879,940.34	(238,712.26)	(500,000.00)	895,250.15
Vt Dairy Promotion Fund	21060	395,933.74	2,632,125.26	(2,593,143.53)	0.00	434,915.47
VDPC State Portion	21061	233,157.40	226,590.00	(358,468.08)	0.00	101,279.32
Financial Institut Supervision	21065	200,000.00	1,994,321.53	(1,936,048.42)	0.00	258,273.11
Health Care Suprv & Reg	21070	80,520.76	1,132,196.27	(1,212,715.89)	0.00	1.14
Insurance Regulatory & Suprv	21075	208,707.97	22,192,624.47	(6,469,921.02)	(15,931,411.42)	0.00
Securities Regulatory & Suprv	21080	0.00	6,494,080.00	(1,675,800.36)	(4,818,258.29)	21.35
Captive Insurance Reg & Suprv	21085	0.00	4,766,389.68	(4,766,389.68)	0.00	0.00
VOHI Wk Cmp Self-Ins Corp Trst	21090	50,409.50	97.03	0.00	0.00	50,506.53
Passenger Tramways	21095	56,604.35	389,535.99	(352,403.92)	0.00	93,736.42
Elevator Safety Fund	21097	126,673.40	92,455.00	(69,023.57)	0.00	150,104.83
Licensing & Inspection Spec Fd	21099	(175.00)	175.00	0.00	0.00	0.00
Worker's Comp Admin Fund	21105	848,470.34	3,269,384.01	(2,229,979.94)	0.00	1,887,874.41
Employee Leasing Companies	21110	35,130.45	43,500.00	(19,619.54)	0.00	59,010.91
Fire Service Training Council	21120	56,259.59	998,654.38	(805,713.64)	(120,000.00)	129,200.33
Haz Chem & Subst Emerg Resp	21125	492,227.23	609,410.00	(794,660.56)	0.00	306,976.67
Criminal History Records Check	21130	1,400.75	207,660.68	(200,000.00)	0.00	9,061.43
Vt Law Telecommunications	21135	27,013.16	170,750.02	(109,618.64)	0.00	88,144.54
DUI Enforcement Special Fund	21140	(11,240.22)	1,449,809.53	(1,264,943.32)	0.00	173,625.99
Victims Compensation Fund	21145	1,559,004.96	1,807,297.97	(2,252,951.99)	(179,055.00)	934,295.94
Prof Regulatory Fee Fund	21150	4,869,317.06	4,254,361.00	(3,931,774.50)	0.00	5,191,903.56
Rulemaking Advertising Fund	21155	10,628.99	70,000.00	(100,000.00)	0.00	(19,371.01)
Vermont Campaign Fund	21160	328,863.79	640,949.00	(863,163.95)	0.00	106,648.84
Funeral & Burial Service Trust	21165	236,415.48	455.03	0.00	0.00	236,870.51
Children's Trust Fund	21185	71,463.76	58,891.23	(75,000.00)	0.00	55,354.99
Correctional Facilities Rec Fd	21190	510,010.51	764,388.85	(797,848.53)	0.00	476,550.83
Catamount Fund	21196	4,758,046.57	802.13	0.00	(4,758,848.70)	0.00
Home Heating Fuel Asst Trust	21210	0.00	20.78	(8,800,000.00)	8,800,000.00	20.78
PATH-Civil Monetary Fund	21213	123,423.30	108,324.45	0.00	0.00	231,747.75
Mental Health Risk Pool	21220	419.06	0.81	0.00	0.00	419.87
Vermont State Hospital Canteen	21225	5,000.00	0.00	0.00	0.00	5,000.00
Home Weatherization Assist	21235	2,815,338.99	8,513,716.48	(8,583,002.60)	(900,000.00)	1,846,052.87
Teacher Licensing Fund	21240	985,442.10	905,810.00	(1,403,454.57)	0.00	487,797.53
Post Secondary Certification	21245	0.00	1,500.00	0.00	0.00	1,500.00
General Education Development	21250	19,647.00	(17,495.00)	(1,208.00)	0.00	944.00
Petroleum Cleanup Fund	21255	2,731,845.47	4,961,256.71	(5,340,611.86)	0.00	2,352,490.32
Act 250 Permit Fund	21260	(7,405.26)	2,152,441.36	(1,875,132.88)	0.00	269,903.22
State Forest Parks Fund	21270	390,219.15	7,834,248.96	(7,917,812.00)	0.00	306,656.11
Environmental Contingency Fund	21275	2,717,990.87	242,514.07	(156,283.45)	250,000.00	3,054,221.49
Waste Management Assistance	21285	2,258,644.23	4,997,697.14	(4,543,593.81)	(250,000.00)	2,462,747.56
Hazardous Waste Fund	21290	368,125.98	647.81	(70,000.00)	0.00	298,773.79
FPR - Land Acquisitions	21293	54,053.89	0.00	0.00	0.00	54,053.89
Environmental Permit Fund	21295	839,079.66	7,221,522.89	(5,882,762.50)	0.00	2,177,840.05
Hydroelectric Licensing Fund	21300	27,045.35	1,837.22	(10,000.00)	0.00	18,882.57
Sunderland Landfill	21315	14,514.68	27.95	0.00	0.00	14,542.63
Central Vt Shopping Ctr	21320	69,001.93	132.83	0.00	0.00	69,134.76
Historic Sites Special Fund	21325	7,751.52	423,397.88	(419,640.79)	0.00	11,508.61
Municipal & Regional Planning	21330	345,904.15	4,717,211.36	(3,306,816.83)	(1,420,960.51)	335,338.17
Insurance Reserve Fund	21335	20,544,429.63	11,000,000.00	0.00	0.00	31,544,429.63
Unorganized Towns-Bennington	21345	39,732.36	190,248.59	(207,951.66)	0.00	22,029.29
Unorganized Towns-Chittenden	21350	10,194.62	83,327.26	(93,206.65)	0.00	315.23
Unorganized Towns-Windham	21355	12,302.26	168,177.64	(151,458.17)	0.00	29,021.73
Unemployment Comp Admin Fund	21360	0.00	180,000.00	0.00	0.00	180,000.00
Tobacco Litigation Settlement	21370	(11,307.16)	34,493,038.94	(36,611,458.09)	2,097,978.18	(31,748.13)
AG-Tobacco Settlement	21372	262,560.93	0.00	(48,193.90)	0.00	214,367.03

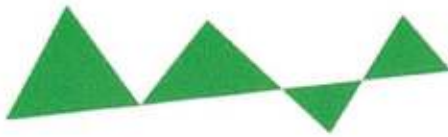
Special Fund Summary EOFY 2013 - for JFC report 10-23-13						
Special Fund Summary EOFY 2013						
Special Fund Name	SF #	Fund Net Assets 7/1/12	All Revenues	All Expenses	Other Financing Sources (Uses)	Fund Net Assets 6/30/13
Tobacco Trust Fund	21375	9,953,484.37	540,205.77	(47,843.72)	(2,097,978.18)	8,347,868.24
Williamstown Env & Public Hlth	21390	190,383.56	366.43	0.00	0.00	190,749.99
State Register Publications Fd	21397	1,518.53	0.00	0.00	0.00	1,518.53
Bond Investment Earnings Fund	21405	0.70	117,765.44	0.00	0.00	117,766.14
Flexible Spending	21430	150,251.96	1,876,752.60	(1,836,432.87)	0.00	190,571.69
All Terrain Vehicles	21440	19,755.83	302,192.16	(300,594.52)	0.00	21,353.47
Art Acquisition Fund	21445	113,500.00	0.00	0.00	0.00	113,500.00
Fuel Efficiency Fund	21452	(1,937.18)	1,937.18	0.00	0.00	0.00
Vt Recreational Trails Fund	21455	268,474.23	0.00	(328,200.74)	370,000.00	310,273.49
Laboratory Services	21460	66,647.46	658,522.95	(714,160.00)	0.00	11,010.41
Medical Practice	21470	949,170.34	1,741,091.90	(1,150,535.83)	0.00	1,539,726.41
Hospital Licensing Fees	21471	0.00	135,000.00	(135,000.00)	0.00	0.00
Natural Resources Mgmt	21475	118,946.98	901,115.21	(806,350.14)	0.00	213,712.05
Otto Johnson Fund	21480	0.00	2,888.51	(2,888.51)	0.00	0.00
PILOT	21485	636,819.92	4,447,213.95	(5,984,000.00)	0.00	(899,966.13)
Rabies Control	21490	6,863.00	78,925.55	(32,047.00)	(37,510.55)	16,231.00
VT Working Lands Enterprise	21493	0.00	2,000.79	(148,919.54)	1,175,000.00	1,028,081.25
Snowmobile Trails	21495	276,768.61	581,557.82	(472,482.11)	0.00	385,844.32
Inter-Unit Transfers Fund	21500	(477,569.82)	55,059,422.14	(51,078,099.42)	12,454,642.26	15,958,395.16
ARRA Inter-Unit Subaward Fund	21502	35,183.44	992.17	0.00	0.00	36,175.61
Boating Safety	21505	26,174.63	0.00	(106,003.00)	111,520.24	31,691.87
Treas Retirement Admin Cost	21520	(13,158.85)	2,281,820.57	(2,262,173.58)	0.00	6,488.14
Conference Fees & Donations	21525	60,666.72	110,502.39	(70,487.53)	0.00	100,681.58
School Match	21535	0.00	17,758,155.55	(17,758,155.55)	0.00	0.00
Lands and Facilities Trust Fd	21550	4,070,323.42	720,515.16	(687,344.88)	0.00	4,103,493.70
Emergency Relief & Assist Fd	21555	17,138,992.14	0.00	(4,819,116.62)	0.00	12,319,875.52
Public Assistance Recoveries	21560	1,000.00	6,776.04	(6,776.04)	0.00	1,000.00
Food Stamp Recoveries	21570	32,471.59	124,774.76	(128,278.00)	0.00	28,968.35
Downtown Trans & Capital Impro	21575	875,914.05	0.00	(207,969.05)	383,966.00	1,051,911.00
Surplus Property	21584	324,547.47	288,982.13	(297,438.28)	0.00	316,091.32
Pers-Human Resourc Development	21585	71,036.61	1,724,928.11	(89,630.96)	0.00	1,706,333.76
Tax-Miscellaneous Fees	21590	10,080.58	275,458.71	(270,600.00)	0.00	14,939.29
Tax-Local Option Process Fees	21591	44,832.15	518,629.69	(518,629.69)	0.00	44,832.15
Tax-Current Use Admin	21594	267,711.58	566,198.86	(310,825.95)	0.00	523,084.49
Public Records Special Fund	21595	169,587.27	8,514.44	(99,493.00)	0.00	78,608.71
BGS-Duxbury/Moretown	21600	(898.56)	(622.90)	(9,677.18)	0.00	(11,198.64)
Vital Records Special Fund	21602	218,895.46	90,671.89	(110,110.00)	(200,000.00)	(542.65)
Motorist Aid Refreshment Prog	21603	144,352.66	107,395.43	(69,466.60)	0.00	182,281.49
BGS-Recycling Efforts	21604	183,289.83	21,633.55	(15,444.67)	0.00	189,478.71
BGS-Newport Office	21606	2,500.00	0.00	0.00	0.00	2,500.00
BGS-Donations-St House Restore	21612	543.41	0.00	0.00	0.00	543.41
BGS-Sale of State Land	21613	(4,563.91)	2,623,049.00	(22,020.96)	(2,588,519.18)	7,944.95
Leg-State House Sick Room	21626	1,197.90	0.00	0.00	0.00	1,197.90
Leg-Sgt at Arms-Use of St Hous	21627	2,197.26	0.00	0.00	0.00	2,197.26
St Labor Relations Bd-Misc Rec	21633	9,445.52	8,525.70	(8,525.70)	0.00	9,445.52
AG-Consumer Fraud Restitution	21634	577,088.55	7,219.75	(225,882.60)	(324,116.00)	34,309.70
AG-Fees & Reimburs-Court Order	21638	21,080.27	14,191,827.11	(654,462.81)	(4,725,555.00)	8,832,889.57
AG-Court Diversion	21639	0.00	636,859.86	(636,859.86)	0.00	0.00
SA-Windsor Comm Prosecution Gr	21646	(2,583.57)	5,167.14	0.00	0.00	2,583.57
PS-Highway Safety	21649	10,485.00	0.00	0.00	0.00	10,485.00
PS-Sale of Photos	21651	2,737.09	16,943.50	(10,000.00)	0.00	9,680.59
Mil-Armory Rentals	21660	8,822.11	348.00	0.00	0.00	9,170.11
Mil-Sale of Burl Armory & Othe	21661	106,449.59	205,089.62	0.00	(311,539.21)	0.00
Mil-Vets Cemetary Contribution	21662	38,740.25	169,456.92	(71,041.00)	0.00	137,156.17
AF&M-Agricultural Events	21666	133,408.56	(73,289.22)	(18,130.33)	0.00	41,989.01
AF&M-Laboratory Testing	21667	37,600.86	8,048.50	0.00	0.00	45,649.36
AF&M-Feed Seeds & Fertilizer	21668	474,049.73	1,120,953.67	(1,007,983.68)	0.00	587,019.72
AF&M-Pesticide Monitoring	21669	639,181.52	1,094,595.00	(958,757.67)	0.00	775,018.85
AF&M-Apple Marketing Board	21670	8,212.21	15.80	0.00	0.00	8,228.01
AF&M-Agricultural Fees	21671	47,343.91	11,323.03	0.00	0.00	58,666.94
AF&M-Terminal Mkts-Ship Insp	21672	5,024.55	0.00	0.00	(5,024.55)	0.00

Special Fund Summary EOFY 2013

Special Fund Name	SF #	Fund Net Assets 7/1/12	All Revenues	All Expenses	Other Financing Sources (Uses)	Fund Net Assets 6/30/13
AF&M-Weights & Measures-Testin	21673	101,399.57	463,648.95	(407,713.17)	0.00	157,335.35
AF&M-Livestock Dealers/Transpo	21676	107,361.35	31,599.00	(15,296.00)	0.00	123,664.35
AF&M-Mosquito Control	21678	92,449.90	150.00	(56,272.00)	74,346.83	110,674.73
AF&M-Housing & Conservation Bd	21680	(44,212.67)	344,114.29	(329,830.65)	0.00	(29,929.03)
AF&M-Eastern States Building	21682	135,375.81	159,961.59	(73,820.66)	0.00	221,516.74
AF&M-Dairy Receipts	21684	90,328.31	52,037.06	(30,635.47)	0.00	111,729.90
AF&M-Meat Handlers	21685	20,275.04	16,531.04	(10,163.60)	0.00	26,642.48
AF&M-Pesticide Control	21686	44,231.32	76,744.00	(44,070.33)	0.00	76,904.99
AF&M-Promotional Activities	21687	8,579.62	29,332.00	(26,309.59)	0.00	11,602.03
BISHCA-Docket	21690	24,422.95	0.00	0.00	0.00	24,422.95
Human Rights Commission	21692	73,939.10	39,938.88	(15,000.00)	0.00	98,877.98
PSD-Regulation/Energy Efficient	21698	2,755,493.35	8,281,156.23	(4,765,701.63)	(4,159,916.76)	2,111,031.19
PSD - Billback & EEU pass thru	21699	0.00	4,358,271.20	(5,500,007.94)	0.00	(1,141,729.74)
PSD-Telecomm Serv for Deaf	21703	(145,838.00)	403,452.65	(331,668.65)	0.00	(74,054.00)
PSD-Rate & Tariff Power	21706	(199,839.38)	0.00	0.00	199,839.38	0.00
PSB-Special Fds	21709	2,200,026.16	49,937.81	(2,453,158.91)	3,259,916.76	3,056,721.82
Enhanced 9-1-1 Board	21711	2,698,830.90	4,987,419.04	(4,367,428.32)	0.00	3,318,821.62
OCS-Child Supp Collect-ANFC	21721	0.00	425,951.00	(425,951.00)	0.00	0.00
HE-Food & Lodging Fees	21731	120.00	1,017,452.00	(1,017,572.00)	0.00	0.00
GCW-Misc	21748	11,020.95	0.00	(1,500.00)	0.00	9,520.95
DET-Apprenticeship Train OFS	21752	0.00	229,274.01	(225,000.00)	0.00	4,274.01
ED-Medicaid Reimb-Admin	21764	1,374,194.51	0.00	(15,701,749.30)	15,489,594.20	1,162,039.41
Vets Home-Private Pay	21767	(364,492.84)	1,884,546.35	(1,839,600.00)	0.00	(319,546.49)
Vets Home-Dom Applied Income	21768	84,856.74	51,964.91	(73,072.00)	0.00	63,749.65
Local Comm Implementation Fund	21772	87,127.41	167.69	0.00	0.00	87,295.10
Impaired Water Restoration Fnd	21773	515,164.16	51,650.78	(38,200.00)	0.00	528,614.94
Pollution Prevention Plans Fee	21776	0.00	55,050.00	(55,050.00)	0.00	0.00
FPR-Laura Burnham Estate	21778	10,402.90	0.00	(5,796.65)	0.00	4,606.25
FPR-Youth Conservation Corps	21779	3,593.00	247,990.03	(251,583.03)	0.00	0.00
FPR-Earth People's Park	21781	134.74	0.00	0.00	0.00	134.74
Vermont Medicaid	21782	2,825,133.77	3,977,358.66	(6,599,473.03)	0.00	203,019.40
New York Medicaid	21785	2,050,593.95	2,386,586.09	(2,014,800.00)	0.00	2,422,380.04
Streamgauging Fees	21786	53,485.68	15,495.32	(23,990.43)	0.00	44,990.57
EC-Geological Publications	21787	16,048.94	6,926.00	(505.00)	0.00	22,469.94
Miscellaneous Settlement Fund	21788	3,684,360.95	1,292,500.00	(300,577.77)	0.00	4,676,283.18
EC-Tax Loss-Conn Riv Flood Ctl	21789	0.00	31,230.00	(31,230.00)	0.00	0.00
EC-Aquatic Nuisance Control	21790	(27,124.74)	30.00	0.00	0.00	(27,094.74)
EC-VT Poll Control 24VSA4753	21793	140,564.64	600,000.00	(600,000.00)	0.00	140,564.64
SRS-Social Security	21809	0.00	1,108,833.62	(1,108,833.62)	0.00	0.00
SRS-Parental Child Support	21810	0.00	130,185.94	(130,185.94)	0.00	0.00
Attorney Admission,Licensing,& VR Fees	21811	819,843.83	707,655.30	(712,234.24)	0.00	815,264.89
DAD-Vending Facilities	21813	0.00	1,385,567.41	(1,385,567.41)	0.00	0.00
ACCD-Mobile Home Park Laws	21815	0.00	126,541.03	(148,890.82)	0.00	(22,349.79)
ACCD-Miscellaneous Receipts	21819	0.00	58,320.00	(58,320.00)	0.00	0.00
ACCD-Tourism & Marketing Broch	21820	5,003.00	1,054,409.85	(93,927.85)	0.00	965,485.00
Sale of Copies/Publications	21822	195,951.45	271,625.55	(210,337.44)	0.00	257,239.56
Memorial Gifts	21824	3,940.37	648.40	(2,199.00)	0.00	2,389.77
HE-Lead Abatement Fees	21825	4,613.84	1,130.00	(180.00)	0.00	5,563.84
HE-Third Party Reimbursement	21828	0.00	60,074.00	(60,074.00)	0.00	0.00
HE-Asbestos Fees	21829	1,060,732.22	6,349,553.41	(6,328,737.64)	0.00	1,081,547.99
HE-Medicaid in Schools	21832	0.00	153,986.00	(153,986.00)	0.00	0.00
HE-AIDS Medication Rebates	21834	(216,000.00)	0.00	0.00	0.00	(216,000.00)
HE-ADAP DDRP Fees	21836	1,268,147.69	1,015,217.78	(960,175.00)	0.00	1,323,190.47
CORR-Supervision Fees	21837	0.00	169,956.00	(169,956.00)	0.00	0.00
PERS-Recruitment Services	21843	2,149,104.68	888,784.73	(572,834.24)	0.00	2,465,055.17
Chitt-Women Help Battered Wome	21844	8,611.22	173,929.42	(164,536.65)	0.00	18,003.99
ED-Private Sector Grants	21846	(20,491.17)	25,083.32	(4,592.15)	0.00	(0.00)
PS-Law Enforcement Services	21848	36,205.04	0.00	(16,879.15)	0.00	19,325.89
PS-VAST	21851	(18,704.44)	501,058.45	(485,424.73)	0.00	(3,070.72)
PS-Fingerprint Fees	21852	(232.43)	33,047.38	(32,814.95)	0.00	0.00
	21856	10,488.20	185,926.00	(168,195.23)	0.00	28,218.97

[illegible]

100



Vermont Telecommunications Authority

To: House Committee on Commerce and Economic Development
 House Committee on Corrections and Institutions
 Senate Committee on Economic Development, Housing and General Affairs
 Senate Committee on Finance
 Senate Committee on Institutions
 Joint Fiscal Committee
 Secretary of the Administration
 Secretary of the Agency of Commerce and Community Development (Challenge Lead)
 Chief, Connect Vermont

From: Vermont Telecommunications Authority

Date: October 3, 2013

Re: Quarterly Report per Section 49(i) of the FY2012 Capital Bill

Per Section 49(i) of the FY2012 Capital Bill starting on October 1, 2011, the Vermont Telecommunications Authority (VTA) is required to submit a report on investments made or grants awarded in furtherance of the goals stated in 30 V.S.A. § 8060(b), using the telecommunications measures established pursuant to No. 146 of the Acts of the 2009 Adj. Sess. [2010], (an act relating to implementation of challenges for change).

The purpose of this report is to track the progress made in attaining those goals through the aforementioned investments and grants.

This progress report reflects the outcomes and measures applied under Outcome 2, Measures 2, of the Economic Development Challenge (see Challenges for Change, Quarterly Progress Report, p. 97-98, July 2011) to projects funded under Section 49 ("The VTA Capital Appropriations Provision"), as follows:

- i. Percentage of residences and businesses with broadband access, using the current Vermont definition of broadband
- ii. Percentage of cellular coverage on major roads
- iii. Percentage of cellular coverage on minor roads
- iv. Percent of State where public safety radios work

This progress report also includes location-specific information on the progress of deployment of telecommunications technology that does not require the utilization of towers, as expressly required by the VTA Capital Appropriations Provision.

Measure 2(i): Progress made in attaining broadband telecommunications goals

Summary: **Statutorily-required Public Comment Period completed;**
 Statutorily-required Competitive Solicitation completed;
 Broadband grants awarded;
 Investments in fiber-optic infrastructure in process.

The standard used to measure broadband coverage is currently identified as availability of service at e911 locations with a minimum threshold speed of least 768 KBPS download and 200 KBPS upload. This includes broadband service delivered by cable, DSL, fiber optic and wireless broadband (fixed and mobile). Satellite-based coverage is not included.

In making grants available, the VTA is required to coordinate with the need analysis of Connect VT. Connect VT's strategic plan identifies four service-level goals with respect to broadband availability for each e911 location:

1.0 = one connection available (other than satellite) at the minimum threshold of 768/200 kbps or better

Goal date: 100% complete by December 31, 2013

2.0 = two connections available (other than satellite) at a minimum threshold 768/200 kbps or better, where at least one option is fixed and one is mobile or fixed

Goal date: substantially complete by December 31, 2013

3.0 = one available connection (other than satellite) at a minimum threshold of 4/1 mbps

Goal date: Future

4.0 = two connections available (other than satellite) at a minimum threshold 4/1 mbps, where at least one option is fixed and one is mobile

Goal date: Future

In order to make baseline and progress measurements of these goals, Connect VT analyzes Vermont Broadband Mapping Initiative (BMI) data with two lenses: a survey of coverage with mobile broadband availability and another without mobile as an option for broadband delivery. Coverage across the state is expressed as the percentage of e911 locations with broadband, and several maps are generated.

Based on final analysis of the December 2012 BMI data, 96.3% of e911 addresses have broadband availability. The VTA verifies unserved addresses through methods such as direct mailing and analysis of service provider data. The VTA is currently seeking to develop projects to provide service to these unserved areas through VTA2013-NGF-137 (Broadband Notice of Grant Funding Availability), described below.

The VTA began the competitive process for distribution of grants from the FY2012 capital appropriations in early 2012, awarding the first \$625,000 in grants in the second quarter. Additional grants awarded in the third quarter of 2012 brought the overall total grants to \$2,302,340, with the four awardees' projects covering 545 unserved locations in 52 communities. Almost all unserved areas targeted in the grant rounds receiving a funded project.

The VTA determined that a fiber cable can efficiently support multiple uses for multiple communications providers:

- as backhaul service for mobile voice providers;
- as a last-mile broadband service to premises along the route;
- as a middle-mile transport facility for broadband companies.

The VTA will make dark fiber available at competitive rates to broadband and mobile voice communication companies, consistent with the VTA Capital Appropriation Provision of subsection (d), which requires that VTA investments “be available for use by as many retail service providers as technology will permit to prevent the state from establishing a monopoly service territory for one provider...”

In the first quarter of 2013, the VTA issued NGF VTA 2013-137 Broadband: Notice of Grant Funding Availability (See <http://www.telecomvt.org/rfp/137>) seeking proposals for grant-assisted projects to extend respondent’s networks to reach additional designated unserved locations. The VTA initially targeted \$881,000 in FY2012 capital appropriations plus \$119,074 in recaptured funds to this initiative, but at the end of March 2013 the VTA allocated an additional \$1,347,840 in FY2012 capital appropriation funding to NGF 137. These additional funds were made available by VTA’s termination of a 2012 award to VTel Wireless, and so the VTA also added Target Grant Areas [“TGAs”] from 22 communities that were to have been served by the cancelled award to the TGA list for NGF 137.

In the second quarter of 2013, the VTA awarded grants to two new broadband projects that will serve 31 locations in the towns of Bradford, Norwich, Rupert and Thetford. Funding totaled \$349,569. In the third quarter of 2013, the VTA awarded grants to five new broadband projects that will serve 66 locations in the towns of Bennington, Brattleboro, Chittenden, Newfane, Putney, Randolph and Wilmington. Another 20 locations will be served by an incentive program that serves as a demonstration project utilizing next-generation satellite service. Funding for these projects totaled \$569,147.

The VTA commissioned a fiber-optic project 45% of which is funded with \$415,780 of FY2012 capital appropriations, the 36-mile Orange County Fiber Connector [OCFC] along state routes 110, 113, and 132. Areas along the proposed route were identified as “Target Communities” for broadband service expansion by the Agency of Administration and as TGAs by the VTA. Two service providers have licensed strands and are connecting subscribers along a completed and tested section of the OCFC route. With only a few miles of fiber remaining to be hung, the VTA expects the OCFC project to be completed by the end of 2013.

The VTA has also allocated \$70,000 of the FY2012 capital appropriation to the 41-mile Hardwick-to-Newport Fiber Project, 40 miles of which have been hung beginning in Newport and currently built into northern Hardwick. This project is tracking toward completion in the fourth quarter of 2013.

In addition, three ongoing broadband projects focus on TGAs located in eight towns: Barnard, Bradford, Braintree, Pownal, Rochester, Ryegate, Shaftsbury, and Topsham. During the second quarter of 2013, two TGAs have been completed. During the third quarter, two more have been finished. Construction is underway on the remaining TGAs and all are on schedule to be completed before December 31, 2013.

Measure 2(ii) & 2(iii): Progress made in attaining mobile telecommunications goals

Summary: **Statutorily-required Public Comment Period Completed;**
Statutorily-required Competitive Solicitation completed;
First cellular investment contract awarded;
First cellular tower lease signed.

Based on 2010 drive-test data collected through BMI, the VTA estimated that 87% of major roads and 76% of minor roads have mobile telecommunications coverage ("roads" are defined as roads that are part of the federal aid highway system, not city streets or residential neighborhoods). Coverage of both major air interface platforms for cellular phones, GSM (used by AT&T and T-Mobile) and CDMA (used by Verizon Wireless, Sprint, and US Cellular) was examined. The reported numbers reflect the coverage for GSM phones, which was more extensive (the CDMA estimate is 55% of major roads and 44% of minor roads). It should be noted that these relatively high coverage percentages do not reflect low coverage or gaps in coverage that can result in dropped calls or inadequate signal transmission.

As part of its duties under 3 V.S.A. § 2222b (b) (1), the Agency of Administration is charged with developing an inventory of locations at which mobile telecommunications and broadband services are not available within the state. The VTA understands that, as part of that initiative, Connect VT plans to commission a new independent and comprehensive evaluation of mobile voice and data coverage in 2013. The new drive test took place in September of 2013. The VTA will report on cellular coverage utilizing the new data once it becomes available.

Section 49 of the Fiscal Year 2012 Capital Bill requires a competitive solicitation, as well as a Request for Public Comment, to enlist the cell-phone user experience of Vermont residents. The Request for Public Comment had been completed previously and results posted on the VTA's web site (see <http://www.telecomvt.org/resources/public-comments/2011-A01.php>). The competitive solicitation process was also completed.

As a result of that process, the VTA executed two contracts for expansion of cellular service, one with VTel Wireless, an affiliate of Vermont Telephone of Springfield, VT, and another with Vanu CoverageCo, an affiliate of Cambridge, MA – based Vanu, Inc., a developer of software-defined radio equipment which supports the deployment of multiple standards used by cellular operators on a single platform.

Vanu CoverageCo seeks to provide wholesale service to CDMA and GSM carriers that allow those carriers to expand cellular service to their customers through micro-cell equipment mounted on utility pole tops or other available existing structures within Target Corridors. VTel Wireless seeks to add support for 2G/3G cellular voice and data services to its planned Wireless Open World (WOW) network, a 4G LTE mobile data network that is deployed on traditional communications towers and other types of existing structures. VTel's service will provide wholesale coverage to existing providers, and to provide a new retail cellular offering to residents and businesses in the state.

The VTA awarded a contract for \$2,644,093 to VTel Wireless for the purchase of core equipment and software that will ultimately enable VTel to add cellular voice capability to its \$116 million stimulus-funded Wireless Open World [WOW] 4G/LTE broadband network.

In the second quarter of 2012, the VTA and CoverageCo signed an agreement to expand cellular service. The VTA will purchase the equipment to serve nearly 90 miles of unserved roadway in three sections of the state at a cost of \$500,000. CoverageCo will lease the equipment from the VTA and operate it as part of their overall network. In addition to the 90 miles sponsored by the VTA through this contract, CoverageCo has proposed to cover an additional 125 road miles throughout the State as part of its initial build, funded through private capital investment. The VTA-funded project will touch 15 towns, covering the following routes:

- Route 110 in Washington, through Chelsea, into part of Tunbridge;
- From Route 110 in Chelsea along the East Randolph Road into a part of Randolph;
- Route 25 from Orange, through Topsham, through Corinth, into a part of Bradford;
- From Route 25 in East Corinth along the Topsham-Corinth Road and Powder Spring Road through Topsham to Route 302 in Groton;
- Route 302 east of Orange through Topsham through Groton to South Ryegate;
- Six miles along Route 15 in Wolcott;
- Route 132 from Thetford to South Strafford;
- Route 113 from Chelsea to Thetford.

Deployment of the project will continue through the fourth quarter of 2013.

In the third quarter of 2013, the VTA has brought additional sites online: In VTA Target Corridors, sixteen new sites from Washington to Chelsea on Rte. 110, five sites in the Topsham area, and twelve sites in the Orange to Ryegate corridor are now integrated. Sixteen sites on Rte. 30 between Newfane and Jamaica have been completed as part of the “additional road miles.” In addition, twenty sites in VTA Target Corridors have been installed and are awaiting integration.

In addition, in August 2012 the VTA submitted an application for a U.S. Economic Development Administration (EDA) Disaster Recovery Grant in the amount of \$1,601,800 with a VTA match of \$400,450. The EDA awarded this grant to the VTA in April, 2013, and the VTA has begun drafting RFPs for the project, as described below.

The EDA grant project will focus on areas hardest hit by Tropical Storm Irene and the May 2011 floods: Northeast Kingdom (Essex County), East Central Vermont (Windsor County and parts of Washington, Addison and Orange Counties) and Windham County. Corridors were selected based on the damage impact from the storm, lack of cellular communication infrastructure, and documented gaps in radio coverage from the Agency of Transportation and the Department of Public Safety.

The project is an effort to address the lack of resiliency in cellular infrastructure revealed in the 2011 disasters and to address the long-term economic need for extended coverage and greater resiliency in these areas. The scope of the grant is approximately 120 road miles which will leverage an additional 120 miles of coverage funded by private investment.

In addition to the road coverage, nine communities will receive resiliency communication hotspots. The resiliency component consists of backup solar and generator power on town property along with satellite backhaul backup should existing backhaul systems fail in an emergency.

The VTA completed construction of its Bethel Cell Tower on schedule from October – December 2012 after successfully negotiating a lease with AT&T for tower space. AT&T went on the

air in the spring of 2013 with Governor Shumlin formally announcing that the service was fully operational in mid-May.

However, in August 2013 the VTA executed a tower development agreement with American Tower Company [ATC] to provide cellular telephone service along Vermont State Route 9 between Bennington and Brattleboro. Under this agreement, the VTA has the option to purchase occupancy rights for cell towers ATC builds in the designated target corridor at a cost not to exceed \$80,000 per tower or \$640,000 total. The VTA will then lease the tower space thus optioned to multiple cellular service providers.

Additional information under Section 49(i):

Deployment of telecommunications technology that does not require utilization of towers, including location-specific information

Summary: Contract with non-tower-based cellular service provider in deployment

A May 2012 contract between the VTA and CoverageCo [see page 5.] calls for the VTA to fund CoverageCo's deployment of a network using "small cell" equipment. The small cell equipment will be small enough to be mounted on utility poles or other available existing structures, with each small cell covering about one mile along the Target Corridor.

The radio equipment for the project will be provided by CoverageCo's affiliated company, Vanu, Inc. The Vanu "CompactRAN" equipment used in the project is being newly introduced in 2012 and builds on previous generations of Vanu software-defined radio technology deployed commercially in locations as diverse as Texas, Alaska, Nepal, and India, as well as for the U.S. Dept. of Defense.

Measure 2(iv): Percentage of State where public safety radios work

Summary: Co-development and co-location opportunities being pursued as available.

While the VTA is not charged with expanding service territories for public service radios, there has been significant collaboration with the Department of Public Safety in the utilization of State lands at proposed communication facility sites. At lands controlled by the Agency of Natural Resources on Okemo Mountain, in Mount Holly, utilized by Okemo Mountain Resort, the VTA has negotiated a license agreement that will provide for consolidation of equipment on a tower that may be constructed in the future by the Department of Public Safety for public safety radio transmission.

In addition, the licensee, in its construction of a facility, is required to accommodate municipal public safety users such as first responders. The collocation of users and consolidation of equipment not only provides for efficient use of State lands but expands local public safety radio coverage and reserves the opportunity of the Department of Public Safety for future safety radio deployment.

Finally, VTA is participating in the newly-created Public Safety Broadband Network Commission. This Commission is responsible for planning and coordinating state and local efforts in Vermont with the federal efforts associated with FirstNet, the nationwide public safety broadband network currently being planned.



The Congressional Budget Process Timetable

Bill Heniff Jr.

Analyst on the Congress and Legislative Process

March 20, 2008

Congressional Research Service

7-5700

www.crs.gov

98-472

CRS Report for Congress

Prepared for Members and Committees of Congress

Summary

The Congressional Budget Act of 1974 (Titles I-IX of P.L. 93-344, 2 U.S.C. 601-688) established the congressional budget process, which coordinates the legislative activities on the budget resolution, appropriations bills, reconciliation legislation, revenue measures, and other budgetary legislation. Section 300 of this act provides a timetable (see **Table 1**) intended to ensure that Congress completes its work on budgetary legislation by the start of the fiscal year on October 1. For more information on the budget process, see the CRS Guides to Congressional Processes at <http://www.crs.gov/products/guides/guidehome.shtml>.

Contents

Tables

Table 1. The Congressional Budget Process Timetable.....	1
--	---

Contacts

Author Contact Information	3
----------------------------------	---

The Congressional Budget Act of 1974 (Titles I-IX of P.L. 93-344, 2 U.S.C. 601-688) established the congressional budget process, which coordinates the legislative activities on the budget resolution, appropriations bills, reconciliation legislation, revenue measures, and other budgetary legislation. Section 300 of this act provides a timetable (see **Table 1**) intended to ensure that Congress completes its work on budgetary legislation by the start of the fiscal year on October 1. For more information on the budget process, see the CRS Guides to Congressional Processes at <http://www.crs.gov/products/guides/guidehome.shtml>.

Table 1. The Congressional Budget Process Timetable

Date	Action
First Monday in February	President submits budget to Congress.
February 15	Congressional Budget Office submits economic and budget outlook report to Budget Committees.
Six weeks after President submits budget	Committees submit views and estimates to Budget Committees.
April 1	Senate Budget Committee reports budget resolution.
April 15	Congress completes action on budget resolution.
May 15	Annual appropriations bills may be considered in the House, even if action on budget resolution has not been completed.
June 10	House Appropriations Committee reports last annual appropriations bill.
June 15	Congress completes action on reconciliation legislation (if required by budget resolution).
June 30	House completes action on annual appropriations bills.
July 15	President submits mid-session review of his budget to Congress.
October 1	Fiscal year begins.

Source: Section 300 of the Congressional Budget Act of 1974, as amended (P.L. 93-344, 2 U.S.C. 631).

Congress generally begins its budget process once the President submits his budget. The President is required by law to submit a comprehensive federal budget on or before the first Monday in February (31 U.S.C. 1105(a)).

The congressional budget process provides for the annual adoption of a concurrent resolution on the budget to serve as a framework for the consideration of budgetary legislation. The congressional budget timetable sets April 15 as a target date for completion of the annual budget resolution (prior to 1986, the date was May 15). Congress usually does not complete action on the budget resolution by this date.¹ Since the timetable was established in 1974, Congress has completed action on the budget resolution by the date set forth in the timetable only six times, most recently in 2003 for FY2004.

¹ Moreover, Congress did not complete action on a budget resolution in four years (in 1998, 2002, 2004, and 2006). For historical information on budget resolutions, see CRS Report RL30297, *Congressional Budget Resolutions: Historical Information*, by Bill Heniff Jr. and Justin Murray. In years when Congress is late in adopting, or does not adopt, a budget resolution, the House and Senate independently may adopt "deeming resolution" provisions for the purpose of enforcing certain budget levels. For further information on "deeming resolutions," see CRS Report RL31443, *The "Deeming Resolution": A Budget Enforcement Tool*, by Robert Keith.

Section 303(a) of the Budget Act prohibits any spending, revenue, or debt-limit legislation for the upcoming fiscal year from being considered before a budget resolution has been adopted. The House, however, may consider annual appropriations bills after May 15 if a budget resolution has not been adopted by then. The congressional budget process timetable also provides target dates for the House Appropriations Committee and the entire House to complete action on the annual appropriations bills. To encourage adherence to such target dates, Section 309 of the Budget Act prohibits the consideration of a resolution providing for an adjournment period of more than three calendar days during the month of July until the House has approved the annual appropriations bills for the upcoming fiscal year.

Under the Budget Act, Congress may include in the budget resolution reconciliation directives, instructing one or more committees, in each chamber, to recommend legislative changes to existing law to meet budget targets.² Such directives also include a date by which the instructed committees must submit legislation to their respective Budget Committees, if multiple committees in each chamber are involved, or report legislation to their respective chamber. This date effectively determines the timetable under which reconciliation legislation is considered, instead of the June 15 target date for the House to complete action on reconciliation legislation as specified in Section 300 of the Budget Act (i.e., the congressional budget process timetable). To encourage early action on reconciliation legislation, Section 310(f) of the Budget Act prohibits the consideration of a resolution providing for an adjournment period of more than three calendar days during the month of July until the House has completed action on the reconciliation legislation.³

The procedural rules set forth in the Budget Act are enforced by points of order.⁴ These timing points of order, however, are not self-enforcing and may be waived or set aside by unanimous consent. In the House, such points of order may be waived by a special rule, reported by the House Committee on Rules, providing for the consideration of a measure. In the Senate, such points of order may be waived by motion. A motion to waive the point of order enforcing the requirement that the Senate Appropriations Committee make its suballocations before the Senate may consider any measure providing new budget authority for a fiscal year requires a three-fifths vote (i.e., 60 Senators if there are no vacancies), but the motion to waive other timing points of order requires a simple majority vote.

² For further information on the reconciliation process, see CRS Report RL33030, *The Budget Reconciliation Process: House and Senate Procedures*, by Robert Keith and Bill Heniff Jr.

³ Congress typically adjourns for its August recess at the end of July.

⁴ For more detailed information on Budget Act points of order and their application, see CRS Report 97-865, *Points of Order in the Congressional Budget Process*, by James V. Saturno.

Author Contact Information

Bill Heniff Jr.
Analyst on the Congress and Legislative Process
wheniff@crs.loc.gov, 7-8646



Points of Order in the Congressional Budget Process

James V. Saturno
Section Research Manager

July 11, 2013

Congressional Research Service

7-5700

www.crs.gov

97-865

CRS Report for Congress

Prepared for Members and Committees of Congress

Summary

The Congressional Budget Act of 1974 (Titles I-IX of P.L. 93-344, as amended) created a process that Congress uses each year to establish and enforce the parameters for budgetary legislation. Enforcement of budgetary decisions is accomplished through the use of points of order, and through the reconciliation process. Points of order are prohibitions against certain types of legislation or congressional actions. These prohibitions are enforced when a Member raises a point of order against legislation that may violate these rules when it is considered by the House or Senate.

This report summarizes the points of order currently in effect under the Congressional Budget Act of 1974, as amended, as well as related points of order established in various other measures that have a direct impact on budget enforcement. These related measures include the budget resolutions adopted by Congress in 2007 (S.Con.Res. 21, 110th Congress), 2008 (S.Con.Res. 70, 110th Congress), and 2009 (S.Con.Res. 13, 111th Congress), as well as the Rules of the House for the 113th Congress, the budget resolution adopted by the House in 2013 and made enforceable in the House (H.Con.Res. 25, 113th Congress and H.Res. 243, 113th Congress), the Budget Enforcement Act of 1990 (P.L. 101-508), and the Statutory Pay-As-You-Go Act of 2010 (P.L. 111-139). In addition, the report describes how points of order are applied and the processes used for their waiver in the House and Senate.

This report will be updated to reflect any additions or further changes to these points of order.

Contents

Introduction.....	1
Application of Points of Order.....	2
Procedures for Waiving Points of Order.....	3

Tables

Table 1. Points of Order Under the Congressional Budget Act of 1974.....	5
Table 2. Points of Order Under S.Con.Res. 13 (111 th Congress) (Budget Resolution for FY2010).....	9
Table 3. Points of Order Under S.Con.Res. 70 (110 th Congress) (Budget Resolution for FY2009).....	10
Table 4. Points of Order Under S.Con.Res. 21 (110 th Congress) (Budget Resolution for FY2008).....	11
Table 5. Point of Order Under P.L. 101-508 (Budget Enforcement Act of 1990)	11
Table 6. Related Points of Order Under the Standing Rules of the House (113 th Congress)	12
Table 7. Points of Order Under H.Con.Res. 25 (113 th Congress), Made Enforceable Under H.Res. 243 (113 th Congress).....	12
Table 8. Points of Order Under P.L. 111-139 (Statutory Pay-As-You-Go Act of 2010).....	13

Contacts

Author Contact Information.....	13
---------------------------------	----

Introduction

The Congressional Budget Act of 1974¹ established the basic framework that is used today for congressional consideration of budget and fiscal policy. The act provided for the adoption of a concurrent resolution on the budget (budget resolution) as a mechanism for coordinating congressional budgetary decision making. This process supplements other House and Senate procedures for considering spending and revenue legislation by allowing Congress to establish and enforce parameters with which those separate pieces of budgetary legislation must be consistent. The parameters are established each year when Congress adopts the budget resolution, setting forth overall levels for new budget authority, outlays, revenues, deficit, and debt.

These overall spending levels are then allocated to the various committees in the House and Senate responsible for spending legislation. The overall levels and allocations are then enforced through the use of points of order, and through implementing legislation, such as that enacted through the reconciliation process.² Points of order are prohibitions against certain types of legislation or congressional actions. These prohibitions are enforced when a Member raises a point of order against legislation that is alleged to violate these rules when it is considered by the House or Senate. Points of order are not self-enforcing. A point of order must be raised by a Member on the floor of the chamber before the presiding officer can rule on its application, and thus for its enforcement.

Although the congressional budget process encompasses myriad procedures dealing with spending, revenue, and debt legislation, this report focuses only on that portion of the process that stems from the Congressional Budget Act. The tables below list the points of order currently included in the Congressional Budget Act (Table 1), as well as related points of order established in various other measures. These other measures include the FY2010 budget resolution (Table 2); FY2009 budget resolution (Table 3); the FY2008 budget resolution (Table 4); the Budget Enforcement Act of 1990 (Table 5); the rules of the House as adopted under H.Res. 5, 113th Congress (Table 6); the provisions of the budget resolution for FY2014 adopted by the House (H.Con.Res. 25, 113th Congress) as made enforceable in the House under H.Res. 243 (113th Congress) (Table 7); and the Statutory Pay-As-You-Go Act of 2010 (Table 8) that pertains to the consideration, contents, implementation, or enforcement of budgetary decisions.

¹ The Congressional Budget Act (Titles I-IX of P.L. 93-344) has been amended on a number of occasions since its enactment. The most salient of the modifications has been as a result of the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177, also known as Gramm-Rudman-Hollings or GRH); the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (P.L. 100-119); the Budget Enforcement Act of 1990 (Title XIII of the Omnibus Budget Reconciliation Act of 1990, P.L. 101-508); Title XIV of the Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66); and Title X of the Balanced Budget Act of 1997 (P.L. 105-33). For the text of the Budget Act, as amended, see U.S. Congress, House Committee on the Budget, *Compilation of Laws and Rules Relating to the Congressional Budget Process*, 112th Cong., 2nd sess., August 2012 (Washington: GPO, 2012), pp. 3-72.

² The reconciliation process is an optional procedure set forth in Section 310 of the Congressional Budget Act. First used in 1980, reconciliation is a two-step process triggered when the budget resolution includes instructions to one or more committee(s) directing them to recommend changes in revenue or spending laws necessary to achieve the overall levels agreed to. The recommendations are then considered in one or more reconciliation measures under expedited procedures. Certain features of the reconciliation process are enforced by points of order that are included in this report. For more on the reconciliation process generally, see CRS Report RL33030, *The Budget Reconciliation Process: House and Senate Procedures*, by Robert Keith and Bill Heniff Jr.

Points of order are typically in the form of a provision stating that “it shall not be in order” for the House or Senate to take a specified action or consider certain legislation that is inconsistent with the requirements of the Budget Act. Other provisions of the act, formulated differently, establish various requirements or procedures, particularly concerning the contents and consideration of the budget resolution or reconciliation legislation. These provisions, however, are not typically enforced through points of order, and are not included here.³

As amended through the Balanced Budget Act of 1997, points of order in the Congressional Budget Act are permanent. None of the provisions listed in **Table 1** is scheduled to expire, although several points of order have limited applicability or have been rendered moot by the expiration of limits they were intended to enforce.⁴ The freestanding point of order protecting the Social Security trust fund in the House established in the Budget Enforcement Act (see **Table 5**) is also permanent. However, other points of order established under recent budget resolutions have various sunset provisions or limited application (see **Table 3** and **Table 4** for examples).

Application of Points of Order

Most points of order in the Budget Act apply to measures as a whole, as well as to motions, amendments, or conference reports to those measures. When a point of order is sustained against consideration of some matter, the effect is that the matter in question falls.

The application of points of order in the House is clarified in Section 315 of the Budget Act. This provision states that for cases in which a reported measure is considered pursuant to a special rule, a point of order against a bill “as reported” would apply to the text made in order by the rule as original text for the purpose of amendment or to the text on which the previous question is ordered directly to passage. In this way, no point of order would be considered as applying (and no waiver would be required) if a substitute resolved the problem. In addition, the Rules of the House for the 111th Congress include a provision further specifying that for measures considered pursuant to a special rule, points of order under Title III of the Budget Act apply without regard to whether the measure considered is actually that reported from committee. Under Rule XXI, clause 8, points of order apply to the form of a measure recommended by the reporting committee where the statute uses the term “as reported” (in the case of a measure that has been reported), the form of the measure made in order as an original text for the purpose of amendment, or the form of the measure on which the previous question is ordered directly to passage.

The effect of a point of order in the Senate is clarified under Section 312(f), which provides that when a point of order against a measure is sustained, the measure is recommitted to the appropriate committee for any further consideration. This allows the Senate an opportunity to remedy the problem that caused the point of order. Section 312(d) is also designed to provide the Senate with the opportunity to remedy a problem that would provoke a point of order. This

³ For example, the prohibition against motions to recommit concurrent resolutions on the budget in the House under Section 305(a)(2) of the act is typically not counted as a separate point of order. Likewise, the requirement under Section 308(a) of the act for reports on legislation to include cost estimates is not formulated as a point of order, although the House has deemed it necessary to formally waive the provision on occasion.

⁴ The expiration of some of the provisions of the Balanced Budget and Emergency Deficit Control Act at the end of FY2002 has rendered moot a number of points of order. For example, the point of order in the Congressional Budget Act to enforce maximum deficit amounts in the Senate (Section 312(c)) has been rendered moot because no statute currently specifies such an amount.

provision states that a point of order may not be raised against a measure, amendment, motion, or conference report while an amendment or motion that would remedy the problem is pending.

Section 312(e) clarifies that any point of order that would apply in the Senate against an amendment also applies against amendments between the houses. Further, this section also states that the effect would “be the same as if the Senate had disagreed to the amendment.” This would allow the Senate to keep the underlying measure pending, and thus retain the ability to resolve their differences with the House. This provision therefore means that any resolution of the differences between the House- and Senate-passed versions of a measure, whether it is in the form of a conference report or not, must adhere to the provisions of the Budget Act.

There are exceptions to the general principle of applying points of order to a measure as a whole. The most salient is probably Section 313, the so-called Byrd Rule. This section applies to matter “contained in any title or provision” in a reconciliation bill or resolution (or conference report thereon), as well as any amendment or motion. If a point of order is sustained under this section, only the provision in question is stricken, or the amendment or motion falls.⁵ Several of the points of order in the Senate established under budget resolutions have been written so that they apply to individual provisions rather than the measure as a whole, in the same manner as provided in Section 313(e) of the Budget Act. The points of order against emergency spending designations (Section 403(e)(1) of S.Con.Res. 13 (111th Congress), Section 314(e) of the Budget Act, and Section 4(g)(3) of the Statutory Pay-As-You-Go Act of 2010) further provide that, if sustained, the effect of the point of order is that the provision making an emergency designation shall be stricken, and may not be offered as an amendment from the floor.

Procedures for Waiving Points of Order

The Congressional Budget Act sets forth certain procedures, under Section 904, for waiving points of order under the act. These waiver procedures apply in the Senate only. Under these procedures, a Senator may make a motion to waive the application of a point of order either preemptively before it can be raised, or after it is raised, but before the presiding officer rules on its merits.⁶

In the Senate, most points of order under the Budget Act may be waived by a vote of at least three-fifths of all Senators duly chosen and sworn (60 votes if there are no vacancies) (see **Table 1**). The three-fifths waiver requirement was first established for some points of order under the Balanced Budget and Emergency Deficit Control Act of 1985. Beginning with the Balanced Budget Act of 1997, this super-majority threshold was applied to several additional points of order on a temporary basis. These points of order are identified in Section 904(c)(2), and the three-fifths requirement is currently scheduled to expire September 30, 2017.⁷ The three-fifths

⁵ Section 313(d) provides a special procedure for further consideration of a measure should a point of order under this section be sustained against a provision in a conference report.

⁶ In the case of points of order under Section 313 of the Budget Act (and by extension, points of order under Sections 402 and 403 of S.Con.Res. 13 (111th Congress)), as well as points of order under Section 314 of S.Con.Res. 70 (110th Congress), a single point of order may be raised against several provisions. The presiding officer may sustain the point of order “as to some or all of the provisions,” and a motion to waive the point of order may, likewise, be made concerning some or all of the provisions against which the point of order was raised.

⁷ As originally provided in Title X of the Balanced Budget Act of 1997, the three-fifths requirement expired on September 30, 2002. The Senate subsequently adopted S.Res. 304 on October 16, 2002, renewing the three-fifths (continued...)

threshold has also been required for the Senate to waive the application of many of the related points of order established in budget resolutions and other measures, such as the Statutory Pay-As-You-Go Act of 2010. As with other provisions of Senate rules, Budget Act points of order also may be waived by unanimous consent.

In the House, Budget Act points of order are typically waived by the adoption of special rules, although other means (such as unanimous consent or suspension of the rules) may also be used. A waiver may be used to protect a bill, specified provision(s) in a bill, or an amendment from a point of order that could be raised against it. Waivers may be granted for one or more amendments even if they are not granted for the underlying bill. The House may waive the application of one or more specific points of order, or they may include a “blanket waiver,” that is, a waiver that would protect a bill, provision, or amendment from any point of order.

(...continued)

requirement for all of the points of order identified in Section 904(c)(2) (except for Section 302(f)(2)(B)) through April 15, 2003. The three-fifths requirement (including for Section 302(f)(2)(B)) was renewed through September 30, 2008, under Section 503 of H.Con.Res. 95 (108th Congress), extended through September 30, 2010, under Section 403 of H.Con.Res. 95 (109th Congress), and is currently extended through September 30, 2017, under Section 205 of S.Con.Res. 21 (110th Congress).

Table 1. Points of Order Under the Congressional Budget Act of 1974

Section	Description	Application	Senate Waiver Vote ^a
301(g)	In the Senate, prohibits consideration of a budget resolution using more than one set of economic assumptions.	Budget resolution, amendment, or conference report.	Simple majority
301(i)	In the Senate, prohibits consideration of a budget resolution that would decrease the Social Security surplus in any fiscal year covered by the resolution.	Budget resolution, amendment, motion, or conference report.	Three-fifths*
302(c)	Prohibits the consideration of any measure within the jurisdiction of the House or Senate Appropriations Committees that provides new budget authority for a fiscal year until the committee makes the suballocation required by Section 302(b).	Bill, joint resolution, amendment, motion, or conference report.	Three-fifths*
302(f)(1)	In the House, after action on a budget resolution is completed, prohibits consideration of legislation providing new budget authority for any fiscal year that would cause the applicable allocation of new budget authority made pursuant to Section 302(a) or (b) for the first fiscal year or for the total of all fiscal years to be exceeded. ^{b,c}	Bill, joint resolution, amendment, or conference report.	n/a
302(f)(2)(A)	In the Senate, after a budget resolution is agreed to, prohibits consideration of legislation (from any committee other than the Appropriations Committee) that would cause the applicable allocation of new budget authority or outlays made pursuant to Section 302(a) for the first fiscal year or for the total of all fiscal years to be exceeded.	Bill, joint resolution, amendment, motion, or conference report.	Three-fifths*
302(f)(2)(B)	In the Senate, after a budget resolution has been agreed to, prohibits consideration of legislation from the Appropriations Committee that would cause the applicable suballocation of new budget authority or outlays made pursuant to Section 302(b) to be exceeded.	Bill, joint resolution, amendment, motion, or conference report.	Three-fifths*
303(a)	Prohibits consideration of legislation providing new budget authority, an increase or decrease in revenues, an increase or decrease in the public debt limit, new entitlement authority (in the Senate only), or an increase or decrease in outlays (in the Senate only) for a fiscal year until a concurrent resolution for that fiscal year has been agreed to. ^{b,d}	Bill, joint resolution, amendment, motion, or conference report.	Simple majority ^e
303(c)	In the Senate, prohibits consideration of any appropriations measure until a concurrent resolution for that fiscal year has been agreed to, and an allocation has been made to the Committee on Appropriations under Section 302(a). ^d	Bill, joint resolution, amendment or conference report.	Simple majority ^e
305(b)(2)	In the Senate, prohibits consideration of nongermane amendments. ^f	Amendment.	Three-fifths

Section	Description	Application	Senate Waiver Vote ^a
305(c)(4)	In the Senate, prohibits consideration of nongermane amendments to amendments in disagreement to a budget resolution (Section 310(e) applies this prohibition to amendments in disagreement to reconciliation legislation as well).	Amendment in disagreement to a budget resolution (or to reconciliation legislation).	Three-fifths
305(d)	In the Senate, prohibits a vote on a budget resolution unless the figures contained in the resolution are mathematically consistent.	Budget resolution or conference report.	Simple majority
306	Prohibits consideration of matters within the jurisdiction of the House or Senate Budget Committee except when it is a measure reported by the committee, or the committee is discharged from further consideration of the measure, or an amendment to such a measure. ⁸	Bill, resolution, amendment, motion, or conference report.	Three-fifths
309	In the House, prohibits consideration of an adjournment resolution for more than three calendar days during July until the House has approved all regular appropriations bills for the upcoming fiscal year.	Resolution.	n/a
310(d)	Prohibits the consideration of amendments to reconciliation legislation that would increase the deficit either by increasing outlays or reducing revenues, except that in the Senate a motion to strike a provision shall always be in order. ⁹	Amendment.	Three-fifths
310(e)	In the Senate, prohibits consideration of nongermane amendments to reconciliation legislation or to amendments in disagreement to reconciliation (by reference to Sections 305(b)(2) and 305(c)(4)).	Amendment.	Three-fifths
310(f)	In the House, prohibits consideration of an adjournment resolution of more than three calendar days during July until the House has completed action on any required reconciliation legislation.	Resolution.	n/a
310(g)	Prohibits the consideration of reconciliation legislation that contains recommendations with respect to Social Security.	Bill, joint resolution, amendment, motion, or conference report.	Three-fifths*
311(a)(1)	In the House, prohibits consideration of legislation that would cause new budget authority or outlays to exceed or revenues to fall below the levels set forth in the budget resolution for the first fiscal year or for the total of all fiscal years for which allocations are made pursuant to Section 302(a). ¹⁰	Bill, joint resolution, amendment, motion, or conference report.	n/a
311(a)(2)	In the Senate, prohibits consideration of legislation that would cause new budget authority or outlays to exceed the levels set forth in the budget resolution for the first fiscal year, or revenues to fall below the levels set forth in the budget resolution for the first fiscal year or for the total of all fiscal years for which allocations are made pursuant to Section 302(a).	Bill, joint resolution, amendment, motion, or conference report.	Three-fifths*
311(a)(3)	In the Senate, prohibits consideration of legislation that would cause a decrease in Social Security surpluses or an increase in Social Security deficits relative to the level set forth in the budget resolution for the first fiscal year or for the total of all fiscal years for which allocations are made pursuant to Section 302(a).	Bill, joint resolution, amendment, motion, or conference report.	Three-fifths*

Section	Description	Application	Senate Waiver Vote ^a
312(b)	In the Senate, prohibits the consideration of legislation that would cause any of the discretionary spending limits specified in Section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, to be exceeded. ^j	Bill, joint resolution, amendment, motion, or conference report.	Three-fifths*
312(c)	In the Senate, prohibits consideration of a budget resolution that provides for a deficit in excess of the maximum deficit amount specified in the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, for the first fiscal year set forth in the resolution. ^k	Budget resolution, amendment, or conference report.	Three-fifths*
313	In the Senate, prohibits consideration of extraneous provisions in reconciliation legislation. ^l	Reconciliation bill or resolution (any title or provision), amendment, motion, or conference report.	Three-fifths
314(e)	In the Senate, provides for a point of order against the use of an emergency designation as allowed under Section 251(b)(2)(A)(i) of the Balanced Budget and Emergency Deficit Control Act. ^m	Bill, joint resolution, amendment, motion, or conference report.	Three-fifths ⁿ
314(f)	Prohibits consideration in the House or Senate of legislation that would cause the discretionary spending limits set forth in Section 251 of the Balanced Budget and Emergency Deficit Control Act, as amended by the Budget Control Act of 2011 to be exceeded. ^j	Bill, joint resolution, amendment, motion, or conference report.	Simple majority ^o
401(a)	Prohibits consideration of legislation providing new contract authority, borrowing authority, or credit authority not limited to amounts provided in appropriations acts. ^p	Bill, joint resolution, amendment, motion, or conference report.	Simple majority
401(b)	Prohibits consideration of legislation providing new entitlement authority that is to become effective during the current fiscal year. ^k	Bill, joint resolution, amendment, motion, or conference report.	Simple majority
425(a)(1)	Prohibits consideration of legislation reported by a committee unless the committee has published a statement by CBO on the direct costs of federal mandates.	Bill or joint resolution.	Simple majority ^e
425(a)(2)	Prohibits consideration of legislation that would increase the direct costs of federal intergovernmental mandates by an amount greater than the thresholds specified as in Section 424(a).	Bill, joint resolution, amendment, motion, or conference report.	Simple majority ^e

Section	Description	Application	Senate Waiver Vote ^a
426	In the House, prohibits consideration of a rule or order that would waive the application of Section 425.	Resolution, rule, or order.	n/a

Source: The Congressional Budget Act of 1974 (P.L. 93-344), as amended. U.S. Congress, House Committee on the Budget, *Compilation of Laws and Rules Relating to the Congressional Budget Process*, 112th Congress, 2nd session, August 2012 (Washington: GPO, 2012), pp. 3-72.

- a. This column indicates the type of Senate vote (as provided under Section 904 of the Congressional Budget Act) necessary to approve a motion to waive the point of order listed. The term "simple majority" means that the provision may be waived by a majority vote of the Members voting, a quorum being present. The term "three-fifths" means that a motion to waive the provision must be approved by a vote of three-fifths of Senators "duly chosen and sworn." For those provisions marked with an asterisk (*), the three-fifths requirement is scheduled to expire on September 30, 2017, (as identified under Section 904(e) and extended under S.Con.Res. 21 (110th Congress)), reverting to simple majority after that time. See footnote 7 in the text of this report for details on previous extensions. The same voting requirement (either simple majority or three-fifths) would also apply to a vote to appeal a ruling of the chair connected with a point of order. The term "n/a" is used for those provisions that apply in the House only.
- b. Section 302(g) of the Congressional Budget Act (known as the Pay-As-You-Go exception) provides that Sections 302(f)(1), 303(a) (after April 15), and 311(a), as it applies to revenues, shall not apply in the House to legislation (bill, joint resolution, amendment, or conference report) if for each fiscal year covered by the most recently agreed to budget resolution such legislation would not increase the deficit if added to other changes in revenues or direct spending provided in the budget resolution pursuant to pay-as-you-go procedures included under Section 301(b)(8).
- c. In the 109th Congress, the House adopted a provision in H.Res. 248 establishing that during the 109th Congress there would be a separate point of order in the Committee of the Whole against a motion to rise and report a general appropriations bill if that bill, as amended, were in a breach of the appropriate 302(b) allocation. This provision was subsequently readopted in the 110th-113th Congresses as a separate order of the House (see Section 3(b)(4) of H.Res. 5 (113th Congress)).
- d. Section 303(b) sets forth exceptions to the prohibitions under 303(a). In the House, the point of order does not apply to (1) advance discretionary new budget authority that first become available for the first or second fiscal year after the first fiscal year covered in a budget resolution; (2) revenue legislation that is to first become effective after the first fiscal year covered in a budget resolution; (3) general appropriations bills after May 15; or (4) any bill or joint resolution unless it is reported by a committee (see also table note b above for an additional exception to 303(a) provided under Section 302(g)). In the Senate, the point of order does not apply to advance appropriations for the first or second fiscal year after the first fiscal year covered in a budget resolution. The application of this point of order to appropriations bills in the Senate is provided specifically under Section 303(c), which requires an allocation be made to the Senate Appropriations Committee under Section 302(a) as well as agreement on a budget resolution.
- e. The points of order under Sections 303(a), 303(c), 425(a), and 425(b) were made subject to the three-fifths threshold under Section 403(b) of H.Con.Res. 95 (109th Congress). Section 205 of S.Con.Res. 21 (110th Congress) provides that Section 403 of H.Con.Res. 95 (109th Congress) shall no longer apply in the Senate.
- f. Section 204(g) of H.Con.Res. 290 (106th Congress) provided that for purposes of interpreting Section 305(b)(2) of the Budget Act, an amendment not be considered germane if it contains predominately precatory language (e.g., Sense of the Senate provisions), although the enforcement of this provision is not clear.
- g. By standing order of the House, the application of this section to resolutions is construed in the House as a reference to a joint resolution (see Section 3(b)(1) of H.Res. 5 (113th Congress)).
- h. In the House, the impact of amendments is measured in relation to the levels in the reconciliation measure. In the Senate, the impact is measured in relation to the levels provided in the reconciliation instructions which relate to the measure.
- i. Section 311(c) provides that 311(a) shall not apply in the House to legislation that would not cause a committee's spending allocation under 302(a) to be exceeded.

- j. The point of order in Section 312(b) was written to apply to spending limits included in Section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985. The point of order in Section 314(f) was added to apply specifically to spending limits for FY2012-FY2021 included in Section 251(c) as amended by the Budget Control Act of 2011 (P.L. 112-25). After January 15, 2012, the levels to be enforced under both of the points of order as set forth in Section 251(c) were superseded by levels set in Section 251A.
- k. Currently no maximum deficit amounts are specified under the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.
- l. For more information on this provision (known as the "Byrd Rule"), see CRS Report RL30862, *The Budget Reconciliation Process: The Senate's "Byrd Rule"*, by Bill Heniff Jr.
- m. See also separate points of order against the use of emergency designations in the Senate that appear at Section 403(e) of S.Con.Res. 13 (111th Congress) and 4(g)(3) of the Statutory Pay-As-You-Go Act of 2010 (P.L. 111-139).
- n. The threshold for waivers and appeals for this point of order appear at Sections 314(e)(2)(A) and (B), respectively, rather than in Section 904.
- o. This provision previously appeared at Section 314(e), but was redesignated as Section 314(f) under P.L. 112-78. The waiver threshold for this point of order was originally established as three-fifths of Senators "duly chosen and sworn." When the section was designated, however, the waiver threshold that appears in Section 904(c) was not amended to match this redesignation. Consequently, it appears that the simple majority threshold for waivers that appears in Section 904(b) would now apply.
- p. Section 401(d) provides that Sections 401(a) and 401(b) shall not apply to new spending authority described in those sections that flow from (1) a trust fund established under the Social Security Act or any other trust fund for which 90% or more of its expenditures are supported by dedicated revenues; (2) certain wholly owned or mixed ownership government corporations; or (3) gifts or bequests made to the United States for a specific purpose.

**Table 2. Points of Order Under S.Con.Res. 13 (111th Congress)
(Budget Resolution for FY2010)**

Section	Description	Application	Senate Waiver Vote ^a
403(e)	In the Senate, provides for a point of order against the use of an emergency designation as allowed under Section 403(a) of this budget resolution to provide for exemption in the Senate from budget enforcement mechanisms specified in Section 403(b). ^b	Bill, resolution, amendment, motion, or conference report	Three-fifths
404(a)	In the Senate, prohibits the consideration of direct spending or revenue legislation that would cause a net increase in the deficit in excess of \$10 billion in any fiscal year provided for in the most recently adopted budget resolution unless it is fully offset over the period of all fiscal years provided for in the most recently adopted budget resolution. ^c	Bill, joint resolution, amendment, motion, or conference report.	Three-fifths
405(a)	In the Senate, prohibits consideration of any measure or provision that extends or reauthorizes surface transportation programs that appropriates budget authority from sources other than the Highway Trust Fund. ^c	Bill, joint resolution, amendment, or conference report	Three-fifths

Source: S.Con.Res. 13 (111th Congress).

- a. This column indicates the type of Senate vote necessary to approve a motion to waive the point of order listed. The term "three-fifths" means that a motion to waive the provision must be approved by a vote of three-fifths of Senators "duly chosen and sworn." The same voting requirement would also apply to a vote to appeal a ruling of the chair connected with the point of order.

- b. This section concerns the use of emergency designations, but does not establish a point of order against the spending or revenue itself. It also requires committees reporting legislation that include provisions designated as emergency to include in any accompanying written report a justification for the designation. The use of an emergency designation exempts resulting new budget authority, outlays or receipts for purposes of enforcing Sections 302 and 311 of the Budget Act, Sections 401 and 404 of this budget resolution, Section 311 of S.Con.Res. 70 (110th Congress) (see **Table 3**), and Section 201 of S.Con.Res. 21 (110th Congress) (see **Table 4**). This point of order supersedes earlier, similar points of order under H.Con.Res. 68 and H.Con.Res. 290 (both 106th Congress), H.Con.Res. 95 (108th Congress), Section 14007(b)(2) of P.L. 108-287, H.Con.Res. 95 (109th Congress), and S.Con.Res. 21 (110th Congress). No expiration date is provided for the current point of order. See also points of order against the use of emergency designations that appear at Section 314(e) of the Budget Act and Section 4(g)(3) of the Statutory Pay-As-You-Go Act of 2010.
- c. This section is scheduled to expire on September 30, 2018.

**Table 3. Points of Order Under S.Con.Res. 70 (110th Congress)
(Budget Resolution for FY2009)**

Section	Description	Application	Senate Waiver Vote ^a
311(b)	In the Senate, prohibits the consideration of a measure that would cause a net increase in deficits in excess of \$5 billion in any of the four 10-year periods beginning in 2019 through 2058. ^b	Bill, joint resolution, amendment, motion, or conference report.	Three-fifths
314(a)	In the Senate, prohibits the consideration of appropriations legislation that includes a change in a mandatory program producing net costs as defined in Section 314(b). ^c	Appropriations measure, amendment, motion, or conference report.	Three-fifths

Source: S.Con.Res. 70 (110th Congress).

- a. This column indicates the type of Senate vote necessary to approve a motion to waive the point of order listed. The term “three-fifths” means that a motion to waive the provision must be approved by a vote of three-fifths of Senators “duly chosen and sworn.” The same voting requirement would also apply to a vote to appeal a ruling of the chair connected with the point of order.
- b. This point of order supersedes earlier, similar points of order provided in H.Con.Res. 95 (108th Congress) and S.Con.Res. 21 (110th Congress). This section is scheduled to expire on September 30, 2017.
- c. This point of order supersedes an earlier, similar point of order provided in S.Con.Res. 21 (110th Congress).

**Table 4. Points of Order Under S.Con.Res. 21 (110th Congress)
(Budget Resolution for FY2008)**

Section	Description	Application	Senate Waiver Vote ^a
201(a)	In the Senate, prohibits consideration of any direct spending or revenue legislation that would increase or cause an on-budget deficit for the period of the current fiscal year and the five ensuing fiscal years or the period of the current fiscal year and the ten ensuing fiscal years. ^b	Bill, joint resolution, amendment, or conference report.	Three-fifths
202(a)	In the Senate, prohibits consideration of reconciliation legislation that would increase or cause a deficit (or decrease a surplus) for the period of the current fiscal year and the five ensuing fiscal years or the period of the current fiscal year and the ten ensuing fiscal years.	Bill, resolution, amendment, amendment between the houses, or conference report.	Three-fifths

Source: S.Con.Res. 21 (110th Congress)

- a. This column indicates the type of Senate vote necessary to approve a motion to waive the point of order listed. The term "three-fifths" means that a motion to waive the provision must be approved by a vote of three-fifths of Senators "duly chosen and sworn." The same voting requirement would also apply to a vote to appeal a ruling of the chair connected with the point of order.
- b. This point of order supersedes earlier, similar points of order provided in H.Con.Res. 67 (104th Congress), H.Con.Res. 68 (106th Congress), and H.Con.Res. 95 (108th Congress). This section is scheduled to expire on September 30, 2017. Paragraph 5 of this section specifically excludes the budget resolution or legislation that affects or continues the full funding of the deposit insurance guarantee commitment in effect on the date of enactment of the Budget Enforcement Act of 1990. Paragraph 6 of this section provides that the point of order would not apply in cases in which direct spending and revenue legislation when taken together with other direct spending and revenue legislation enacted since the beginning of the calendar year (and not accounted for in the baseline) result in a net decrease in the deficit (or increase in the surplus), although deficit reduction legislation enacted pursuant to reconciliation instructions may not be used in such calculations.

Table 5. Point of Order Under P.L. 101-508 (Budget Enforcement Act of 1990)

Section	Description	Application
13302(a)	In the House, prohibits consideration of legislation that would provide for a net increase in Social Security benefits or decrease in Social Security taxes in excess of 0.02% of the present value of future taxable payroll for a 75-year period, or in excess of \$250,000,000 for the first five-year period after it becomes effective. ^a	Bill, joint resolution, amendment, or conference report.

Source: Subtitle C of the Budget Enforcement Act of 1990 (Title XIII of the Omnibus Budget Reconciliation Act of 1990).

- a. Section 13302(b) provides that the point of order would not apply to legislation that reduces Social Security taxes in excess of the threshold amounts if these reductions are offset by equivalent increases in Medicare taxes.

Table 6. Related Points of Order Under the Standing Rules of the House (113th Congress)

Rule and clause	Description	Application
XXI, clause 7	In the House, prohibits consideration of a budget resolution that includes reconciliation instructions that would provide for an increase in net direct spending for the period covered by the resolution. ^a	Budget resolution, amendment, or conference report.
XXI, clause 10	In the House, prohibits consideration of legislation that would have the net effect of increasing mandatory spending for the period comprising the current fiscal year, the budget year, and the four fiscal years following that budget year, or the current fiscal year, the budget year, and the nine fiscal years following that budget year. ^b	Bill, joint resolution, amendment, or conference report.

Source: H.Res. 5 (113th Congress).

- a. This point of order was first adopted as a part of the rules of the House in the 112th Congress and supersedes earlier points of order adopted as part of the rules of the House for the 110th and 111th Congresses prohibiting reconciliation instructions that would increase the deficit (or decrease the surplus) for a period comprising the current fiscal year, the budget year, and the four fiscal years following that budget year, or the current fiscal year, the budget year, and the nine fiscal years following that budget year.
- b. Rule XXI, clause 10(b) provides that when a measure is considered by the House under the terms of a special order directing the Clerk to add at the end of the measure, the provisions of another measure previously passed by the House, those additional provisions are included in determining the application of this point of order. Rule XXI, clause 10(c) excludes provisions designated as an emergency for purposes of the Statutory PAYGO Act of 2010 from calculations to determine the application of this point of order. This point of order was first adopted as a part of the rules of the House in the 112th Congress and supersedes earlier points of order adopted as part of the rules of the House for the 110th and 111th Congresses prohibiting the consideration of direct spending or revenue legislation that would have the net effect of increasing the deficit (or reducing the surplus) for similar periods. For more on the House Pay-As-You-Go rule in the 110th and 111th Congresses, see CRS Report R41510, *Budget Enforcement Procedures: House Pay-As-You-Go (PAYGO) Rule*, by Bill Heniff Jr.

Table 7. Points of Order Under H.Con.Res. 25 (113th Congress), Made Enforceable Under H.Res. 243 (113th Congress)

Section	Description	Application
601(b)	In the House, prohibits consideration of advance appropriations, except as provided in Section 601(c).	Bill, joint resolution, amendment, or conference report.
604	In the House, prohibits consideration of a measure reported by a committee (other than the Appropriations Committee) if the provisions of the measure have the net effect of increasing mandatory spending in excess of \$5 billion for any of the first four consecutive 10-fiscal year periods beginning with FY2024.	Bill, joint resolution, amendment, or conference report.

Source: H.Con.Res. 25 (113th Congress). In the absence of agreement between the House and Senate on a budget resolution, on June 4, 2013, the House adopted H.Res. 243, Section 3 of which provided that "Pending the adoption of a concurrent resolution on the budget for fiscal year 2014, the provisions of House Concurrent Resolution 25, as adopted by the House, shall have force and effect in the House as though Congress has adopted such concurrent resolution ..."

**Table 8. Points of Order Under P.L. 111-139
(Statutory Pay-As-You-Go Act of 2010)**

Section	Description	Application	Senate Waiver Vote ^a
4(g)(3)	In the Senate, if a point of order is raised during consideration of legislation subject to PAYGO against an emergency designation in that measure, the provision making the designation shall be stricken. ^b	Bill, joint resolution, amendment, or conference report.	Three-fifths
13(a)	Prohibits the consideration of legislation pursuant to expedited procedures (as recommended by a task force or other commission) that contains recommendations with respect to Social Security. ^c	Bill, resolution	Three-fifths

Source: P.L. 111-139.

- a. This column indicates the type of Senate vote necessary to approve a motion to waive the point of order listed. The term "three-fifths" means that a motion to waive the provision must be approved by a vote of three-fifths of Senators "duly chosen and sworn." The same voting requirement would also apply to a vote to appeal a ruling of the chair connected with the point of order.
- b. Section 4(g)(4) provides that estimates made by CBO or OMB shall not include the budgetary effects of spending in PAYGO legislation designated as emergency. For more information on the Statutory Pay-As-You-Go Act of 2010, see CRS Report R41157, *The Statutory Pay-As-You-Go Act of 2010: Summary and Legislative History*, by Bill Heniff Jr. See Also points of order against the use of emergency designations in the Senate that appear at Section 314(e) of the Budget Act and Section 403(e) of S.Con.Res. 13 (111th Congress).
- c. The language in Section 13(a) was written to apply to any potential recommendations that might result from a Task Force for Responsible Fiscal Action, such as that proposed in S. 2853 (111th Congress). Although such a task force was not created, the language in Section 13(a) would appear to continue to apply to the subsequent consideration under expedited procedures of the recommendations of any task force or commission, although none appear to exist currently.

Author Contact Information

James V. Saturno
Section Research Manager
jsaturno@crs.loc.gov, 7-2381

NATIONAL PRIORITIES PROJECT: DEMOCRATIZING THE FEDERAL BUDGET

FEDERAL BUDGET 101

Federal Budget Process

Who Decides the Federal Budget?

The vision of democracy is that the federal budget—and all activities of the federal government—reflects the values of a majority of Americans. Yet most people feel that the federal budget does not currently reflect their values and that the budgeting process is too complex to understand.

It is indeed a complicated process. Many forces shape the federal budget, some of them are forces written into law—like the president's role in drafting the budget—while other forces stem from the realities of our political system.

And while the federal budget may not currently reflect the values of a majority of Americans, the ultimate power over the U.S. government lies with the people, because we have a right and responsibility to choose our elected officials by voting. Many Americans feel that it is difficult or impossible to make their voices heard in Washington, but the first step is to understand what's going on.

An Evolving Process

The Constitution designates the “power of the purse” as a function of Congress.¹ (#footnotes) That includes the authority to create and collect taxes and to borrow money as needed. The Constitution does not, however, specify how Congress should exercise these powers or how the budgeting process should work. Nor does the Constitution specify a role for the president in managing the nation's finances.

As a result Congress has established a process that has evolved over time. Over the course of the twentieth century, Congress passed key laws that shaped the budgeting process into what it is today, and formed the federal agencies—including the **Office of Management and Budget** (</en/budget-basics/glossary/#office-of-management-and-budget>) , the **Government Accountability Office** (</en/budget-basics/glossary/#government-accountability-office>) , and the **Congressional Budget Office** (</en/budget-basics/glossary/#congressional-budget-office>) —that provide oversight and research crucial to creating the budget.² (#footnotes)

Before the Budget

The annual congressional budget process is officially called the **appropriations process** (</en/budget-basics/glossary/#appropriations-process>) . Appropriations bills specify how much money will go to different agencies and programs. In addition to these funding bills, Congress must pass legislation that provides the federal government the legal authority to actually spend the money.³ (#footnotes) These laws are called authorizations. Authorizations often cover multiple years, so authorizing legislation does not need to pass Congress every year the way appropriations bills do. When a multi-year authorization expires, Congress often passes a reauthorization to continue the programs in question.⁴ (#footnotes)

Authorizations also serve another purpose. There are some types of spending that are not subject to the appropriations process. Such spending is called direct or **mandatory spending** (</en/budget-basics/glossary/#mandatory-spending>) , and authorizations provide the legal

FEDERAL BUDGET 101 (</en/budget-basics/federal-budget-101/>)

Federal Budget Process (</en/budget-basics/federal-budget-101/federal-budget-process/>)

Where Does the Money Come From? (</en/budget-basics/federal-budget-101/revenues/>)

Where Does the Money Go? (</en/budget-basics/federal-budget-101/spending/>)

Borrowing and the Federal Debt (</en/budget-basics/federal-budget-101/borrowing-and-federal-debt/>)

Federal Budget Glossary (</en/budget-basics/federal-budget-101/glossary/>)

authority for mandatory spending.⁵ ^(#footnotes) Federal spending for Social Security and Medicare benefits is part of mandatory spending, because the government must by law pay out benefits to all eligible recipients.

How Does the Federal Government Create a Budget?

There are five key steps in the federal budget process:

Step 1: The President submits a budget request to Congress

Step 2: The House and Senate pass budget resolutions

Step 3: House and Senate Appropriations subcommittees “markup” appropriations bills

Step 4: The House and Senate vote on appropriations bills and reconcile differences

Step 5: The President signs each **appropriations bill** (</en/budget-basics/glossary/#appropriations-bill>) and the budget becomes law

Step 1: The President Submits a Budget Request

The president sends a budget request to Congress each February for the coming fiscal year, which begins on Oct. 1.⁶ ^(#footnotes) For example, President Obama submitted his budget request for fiscal year 2013 in February of 2012. Fiscal year 2013 commences on Oct. 1, 2012, and ends on Sept. 30, 2013.

The president's budget request is just a proposal. Congress then reviews the request and passes its own appropriations bills; only after the president signs these bills does the country have a budget for the new fiscal year.⁷ ^(#footnotes)

Step 2: The House and Senate Pass Budget Resolutions

Once the president's budget request has been released, Congress begins the months-long process of reviewing the request. After the president submits the budget request and lawmakers have thoroughly reviewed it, the House Committee on the Budget and the Senate Committee on the Budget each writes a **budget resolution** (</en/budget-basics/glossary/#budget-resolution>).⁸ ^(#footnotes) A budget resolution is not a binding document, but is more like a blueprint. It provides a framework for Congress for making budget decisions about spending and taxes. It sets overall annual spending limits for federal agencies, but does not set specific spending amounts for particular programs. After the two chambers pass their budget resolutions, a joint conference is formed to iron out differences between the two and a reconciled version is then voted on by each chamber.

Step 3: House and Senate Subcommittees “Markup” Appropriation Bills

The Appropriations Committees in both the House and the Senate are responsible for determining the precise levels of **budget authority** (</en/budget-basics/glossary/#budget-authority>) for all discretionary programs.⁹ ^(#footnotes) The Appropriations Committees in both the House and Senate are broken down into smaller Appropriations subcommittees, which review the president's budget request pertaining to the federal agencies under their specific jurisdictions. (Subcommittees cover

different areas of the federal government; for example, there is a subcommittee for defense spending, and another one for energy and water.) After each subcommittee reviews the president's request, it conducts hearings and poses questions to leaders of its associated federal agencies about each agency's requested budget.¹⁰ (#footnotes)

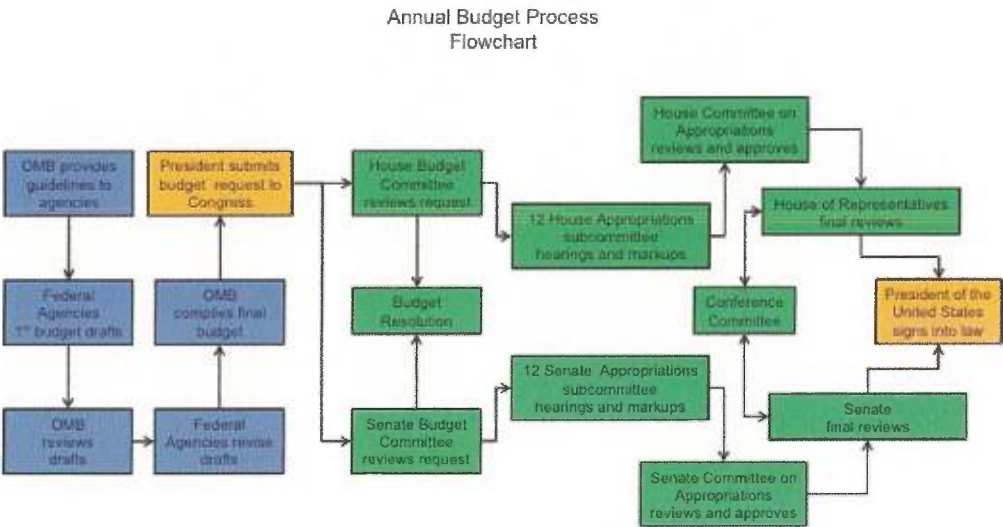
Based on all of this information, the chair of each subcommittee writes a first draft of the subcommittee's appropriations bill, abiding by the spending limits set out in the budget resolution. All subcommittee members then consider, amend, and finally vote on the bill. Once it has passed the subcommittee, the bill goes to the full Appropriations Committee. The full committee reviews it, and then sends it to the full House or Senate for consideration.

Step 4: The House and Senate Vote on Appropriations Bills and Reconcile Differences

The full House and Senate then debate and vote on appropriations bills from each of the 12 subcommittees. After both the House and Senate pass their versions of each appropriations bill, a **conference committee** (/en/budget-basics/glossary/#conference-committee) meets to resolve differences between the House and Senate versions. After the conference committee produces a reconciled version of the bill, the House and Senate vote again, but this time on a bill that is identical in both chambers. After passing both the House and Senate, each **appropriations bill** (/en/budget-basics/glossary/#appropriations-bill) goes to the president.¹¹ (#footnotes)

Step 5: The President Signs Each Appropriations Bill and the Budget Becomes Law

The president must sign each appropriations bill after it has passed Congress for the bill to become law. When the president has signed all 12 appropriations bills, the budget process is complete. Rarely, however, is work finished on all 12 bills by Oct. 1, the start of the new fiscal year. This chart shows how all of these pieces fit together to make the annual federal budget process.



Continuing Resolutions

When the budget process is not complete by Oct. 1, Congress passes a **continuing resolution** (</en/budget-basics/glossary/#continuing-resolution>) so that agencies continue to receive funding until the full budget is in place.¹² (#footnotes) A continuing resolution provides temporary funding for federal agencies until new appropriations bills become law.

Supplemental Appropriations

Because of the length of the federal budget process, from time to time the government has to respond to unanticipated situations for which there is no funding, such as natural disasters or wars. In these cases the government has to allocate additional resources and do so in a timely manner. This type of funding is allocated through legislation known as supplemental appropriations.

It's Even Messier than It Sounds

So that's how the budgeting process is supposed to go. And while that sounds pretty complicated, in practice, it's even more so. Other factors that include party politics, differing economic philosophies, and the impact of lobbying and campaign contributions can also have a considerable impact on the federal budget process.

- 1US Const., art. 1, sec. 8, cl. 1
- 2Congressional Research Service, "Introduction to the Federal Budget Process," Report 98-721, 2 Dec. 2010.
- 3Congressional Research Service, "Overview of the Authorization-Appropriations Process," Report 20-731, 17 June 2008.
- 4United States Senate Committee on Appropriations, "The Budget Process." 9 December 2011 < <http://appropriations.senate.gov/about-budget-process.cfm> >
- 5Congressional Research Service, "Mandatory Spending: Evolution and Growth Since 1962," Report 33-074, 13 Sept. 2005.
- 6Congressional Research Service, "Introduction to the Federal Budget Process," Report 98-721, 2 Dec. 2010.
- 7US Const., art.1, sec. 7, cl. 2
- 8Congressional Research Service, "The Congressional Budget Process: A Brief Overview," Report 20-095, 28 Jan. 2004.
- 9Congressional Research Service, "The Congressional Budget Process: A Brief Overview," Report 20-095, 28 Jan. 2004.
- 10Congressional Research Service, "The Appropriations Process: An Introduction," Report 97-684, 22 Feb. 2007.
- 11Congressional Research Service, "The Congressional Budget Process: A Brief Overview," Report 20-095, 28 Jan. 2004.
- 12Congressional Research Service, "Continuing Resolutions: Latest Action and Brief Overview of Recent Practices," Report 30-343, 26 April 2011.

« [Previous \(/en/budget-basics/federal-budget-101/peoples-guide/\)](/en/budget-basics/federal-budget-101/peoples-guide/) Next » [\(/en/budget-basics\)](/en/budget-basics)

TO: The Joint Fiscal Committee

FROM: Mary Peterson, Commissioner, Department of Taxes

DATE: November 20, 2013

SUBJECT: Annual Report on the Tax Computer System Modernization Fund

The Tax Computer System Modernization Fund (the "Fund") was created in 2007 to use part of the enhanced revenue gained through modernization of processes at the Department of Taxes (the "Department") to re-invest in further modernization, including an integrated tax system ("ITS"). In essence, the Fund is the vehicle by which tax modernization projects pay for themselves – vendors are paid only after the department uses the new tools to collect from taxpayers who otherwise would escape their tax liabilities.

The tax commissioner is directed to report on the Fund annually at the November joint fiscal committee meeting. The sources of funds and use of funds have been amended twice, as outlined below. Thus far, two modernization projects have contributed to the Fund, a small data warehouse designed by the Department, and then a comprehensive data warehouse designed and installed by an experienced tax vendor. The main investment objective for the Fund is the ITS, which itself will generate additional revenue.

At this time, the Department is close to finalizing a contract with FAST Enterprises for an ITS. The Department selected FAST after the evaluation of three bids. The FAST ITS platform has been in production since 1999, and is used in 17 states and several provinces. Eventually, the administration will request a final amendment to the Fund to accommodate this anticipated ITS contract through FY2021.

As planned, the Fund will underwrite a decade of modernization at the Department. The ITS will provide a modern, standard platform for all administrative functions for all tax types – including e-filing options, tax practitioner portals, security protocols, accounting, and revenue reports. Additionally, FAST has offered an option for a microsimulation model, which will allow more robust analysis of our tax data by both the Department and the Joint Fiscal Office. At the same time these investments are made possible through self-funding, 20% of the additional revenue will be transferred to the General Fund. After 2021, the General Fund will reap the entire benefit of the Department's vastly improved capabilities to collect tax that is owed.

This report outlines the history of the Fund. Attached is a table summarizing the revenue sources, appropriations, and expenditures to date.

History of the Fund

Creation in 2007

Source of Funds

The Fund was initially set up in 2007. The source of funds was primarily an in house project by the Department to generate non-filer leads from Department of Labor Data (the "DOL Project").

Use of Funds and Appropriation

A basic 80/20 split of revenue between the Fund and the General Fund was established. An appropriation of \$7.8M was made from the Fund in order to facilitate the Department's purchase of Oracle's Enterprise Tax Management ("ETM") product from CGI for use in administration of the corporate income and several other small taxes. The ETM

project went live in 2010, and the Department continues to use this software. However, after extensive discussions with Oracle, and an RFI to survey the ITS market, the Department decided in 2012 to seek other bids on an ITS.

The General Fund received \$2.74M as a result of the DOL Project. After payments to CGI/Oracle, the Fund has brought forward \$2.76M for the Department to put toward an ITS.

Amendment in 2011

Source of Funds

A new source of funds was added: tax receipts received from a data warehouse to be built by Revenue Solutions Inc. (RSI). RSI is under a five year contract running from 2011 to 2016. The data warehouse project (which includes nonfiler detection, discrepancy analysis, refund fraud review, audit selection and collection scoring) currently is estimated to yield a total of \$16.1M in enhanced revenue. This represents tax amounts that are owed, but would not have been paid without modernizing the Department's collection tools.

Use of Funds and Appropriation

Under the self funding principle, RSI agreed to be paid out of a sliding percentage of enhanced revenue generated from its warehouse. The Commissioner of the Department of Finance and Management approves the baselines from which the RSI enhanced revenue is measured. The 80/20 split between the Fund and the General Fund continues net of the RSI payments. An appropriation of \$7.5M was made from the Fund, primarily in order to facilitate the payments to RSI. RSI is forecasted to receive total payment of \$4.9M through 2016.

The General Fund is forecast to receive a total of \$2.2M as a result of the RSI project, and \$8.9M from the RSI project will be retained in the Fund to put toward an ITS. It must be noted that the RSI project currently is on time, and on track to meet the five year forecast. So far this project has generated over \$5.4M in tax receipts that the State would not otherwise have collected.

Amendment in 2013

Sources of Funds

The source of funds remained the DOL and RSI projects.

Use of Funds and Appropriation

As noted above, the Department decided in 2012 to go back out to bid for an ITS. Therefore, the uses of the funds were amended to replace references to ETM with the generic "ITS", and language was added to allow for planning and implementation. An additional \$9.02M was appropriated; together with the \$7.5M from 2011, the Department has a \$16.52M appropriation currently from the Fund. After the anticipated \$4.9M payment to RSI and other expenses, there eventually will be approximately \$10M available appropriation to put toward an ITS.

Expenditures FY12 and FY13 to Date

The Department has spent \$952,285 from the Fund since completion of the ETM project, as listed on the attachment. Over half of that amount was spent on hardware and upgrade purchases from DII, for both the data warehouse and ongoing operations. The next largest expenditure was to meet the need for additional IT services to support the continuing operation of ETM. Finally, we engaged a consultant to develop a current business case for the ITS, write updated functional requirements for the ITS, and draft the RFP. Assuming that we come to terms with FAST, we anticipate that during the remainder of this fiscal year we will make expenditures for additional preparation work, as well as the microsimulation model (payment terms still under negotiation with the JFO).

Future of the Fund

Structure of ITS Payments

Sources of Funds

When the Department put out its request for proposals for an ITS earlier this year, it specified that the vendor must structure its bid such that it would be paid out of enhanced revenue from the Department's modernization efforts, including the ITS itself. Therefore, FAST has proposed that although it will invoice the Department pursuant to completed milestones, the invoices will only be paid as the Department has available monies from enhanced revenue. The Department is negotiating the details of these payments with FAST presently. The Department anticipates that it will seek amendment of the sources of funds language such that 80% of the enhanced revenue from the ITS project, again as measured against baselines approved by the Commissioner of Finance and Management, is deposited in the Fund to repay the vendor.

Use of Funds and Appropriation

Although we are still in negotiations with FAST, we are anticipating a six year contract (through late 2020), with implementation to be completed in four years (2018). The total price tag will include the options for the microsimulation model. Throughout the ITS project, the General Fund will be accruing 20% of the enhanced revenue from the Department's improvements.

Conclusion

The Department has successfully developed a model whereby modernization of its processes has brought in additional revenues for the state without raising taxes. 80% of those revenues are leveraged further on modernization efforts that continue to close the Tax Gap, the difference between the taxes owed and actually paid.

This initiative will be completed with the installation of a modern ITS system. In the decade from 2011-2021, the Department will have completely modernized its compliance processes and tax administration. The Department will have efficient, integrated operations that, among other things, will maximize employee productivity, provide data security, insure accurate accounting, and furnish robust reports of revenue. Both the administration and the legislature will have better tools to analyze the impacts and results of future revenue proposals. Vermonters will be able to more easily pay the taxes they owe, for example, with standardized 24 hour online access to their accounts.

In the meantime, over the entire course of the Department's modernization, the General Fund will be receiving "found money". This money comes without any tax increase – it is amounts that would have escaped collection but for the Department's improved ability to insure that what is owed is actually paid. After 2021, the Department will operationalize its costs with respect to the ITS, and at that point, all of the additional revenue from the modernization will accrue directly to the General Fund.

TAX COMPUTER SYSTEM MODERNIZATION FUND as of 11/15/13

Act 65 of 2007 Section 282, Act 63 of 2011 Section C103, Act 1 of 2013, Section 65 and 66

Sources of Funds: Enhanced revenue from DOL project (2007-2012), Data Warehouse (2011-2016)

Use of Funds: Investments in modernized compliance and an Integrated Tax System (ITS)

DOL Project: 2007-January 29, 2012. Over \$13M in enhanced revenue.

GF (20%) 2,746,552

CSMF (80%) 10,562,172

To CGI/Oracle: 7,800,000 (Appropriation 2007, payments 2008-2011)

Balance forward: 2,762,172

RSI Project: 2011-2016 (Live in February, 2012).

Expected estimated enhanced revenue \$16M

RSI 4.9M

Subtotal 11.1M

GF (20%) 2.2M

CSMF (80%) 8.9M

Total Enhanced Revenue through November 15, 2013:

Enhanced revenue received \$5,419,243

RSI 2,904,809

Subtotal \$2,514,434

GF (20%) 502,887

CSMF (80%) 2,011,547

Spending by Department From CSMF FY12 through to date (other than RSI/GF payments)

DII Hardware 394,534

Registry Software 4,799

ITS Procurement Services 6,125

Oracle Services* 32,030

CHAMP 118,364

Business Case, Functional Requirements, and RFP 99,880

Additional IT FTE** 296,553

Total **\$952,285**

*additional services paid through Department Budget

**IT FTE eventually rolled to Department Budget

CURRENT APPROPRIATIONS:

Act 1 of 2013, Section 65 \$7,500,000

Act 1 of 2013, Section 66 \$9,022,173

State of Vermont
Agency of Administration
Office of the Secretary
Pavilion Office Building
109 State Street
Montpelier, VT 05620-0201
www.adm.state.vt.us

[phone] 802-828-3322
[fax] 802-828-3320

Jeb Spaulding, Secretary

MEMORANDUM

To: Members, Joint Fiscal and Joint Transportation Oversight Committees
From: Jeb Spaulding, Secretary of Administration
Date: October 11, 2013
Subject: Report of payments required by Section 77a(b) of Act No. 75 of 2012 Legislative Session

Attached is the report required in Sec. 77a(b) of Act No. 75 of 2012 which states:

STATE MATCH FOR TROPICAL STORM IRENE OR SPRING FLOODING; FEMA PAYMENTS TO MUNICIPALITIES

Payments from the emergency relief and assistance fund to municipalities to meet match requirements for FEMA public assistance grants for Tropical Storm Irene or spring 2011 flooding federal disaster relief shall be reported to the joint fiscal committee and the joint transportation oversight committee for the preceding state fiscal quarters, cumulatively, by April 15, July 15, October 15, and January 15, 2013, and quarterly on those dates thereafter, until such payments have been completed.



CC: Neil Schickner, Joint Fiscal Office, Brian Searles, Agency of Transportation



Sec 77a of Act 75 of the 2012 Session

Expenditures through 09/30/2013

<u>Event</u>	<u>Event Name</u>	<u>Fund #</u>	<u>Fund Name</u>	<u>Expended:</u>
1995	April Event	21555	ERAF - Emergency Relief and Assistance	\$680,592.82
4001	May Event	21555	ERAF - Emergency Relief and Assistance	\$1,291,145.90
4022	Irene Event	21555	ERAF - Emergency Relief and Assistance	\$3,613,369.19
4043	May 20, 2011 Event	21555	ERAF - Emergency Relief and Assistance	\$173,838.32
ERAF Total:				<u>\$5,758,946.23</u>

Sec. 77a of Act 75 of the 2012 Session
1995 - April Event

Fund Name	VendorNameStars	Payment Amount
Emergency Relief & Assistance Fund	ALBURGH TOWN TREASURER	15,393.33
Emergency Relief & Assistance Fund	BARTON TOWN TREASURER	3,878.63
Emergency Relief & Assistance Fund	BELVIDERE TOWN TREASURER	1,058.88
Emergency Relief & Assistance Fund	BOLTON TOWN TREASURER	2,060.18
Emergency Relief & Assistance Fund	BRIGHTON TOWN TREASURER	3,505.66
Emergency Relief & Assistance Fund	BROWNINGTON TOWN TREASURER	19,540.16
Emergency Relief & Assistance Fund	BURLINGTON CITY TREASURER	21,630.22
Emergency Relief & Assistance Fund	CAMBRIDGE TOWN TREASURER	5,000.84
Emergency Relief & Assistance Fund	CHARLESTON TOWN TREASURER	4,710.96
Emergency Relief & Assistance Fund	COLCHESTER TOWN TREASURER	3,943.54
Emergency Relief & Assistance Fund	CONCORD TOWN TREASURER	6,731.29
Emergency Relief & Assistance Fund	COVENTRY TOWN TREASURER	5,472.14
Emergency Relief & Assistance Fund	CRAFTSBURY TOWN TREASURER	4,361.88
Emergency Relief & Assistance Fund	DERBY TOWN TREASURER	6,902.51
Emergency Relief & Assistance Fund	DUXBURY TOWN TREASURER	135,179.18
Emergency Relief & Assistance Fund	EAST HAVEN TOWN TREASURER	44,802.35
Emergency Relief & Assistance Fund	EDEN TOWN TREASURER	11,048.81
Emergency Relief & Assistance Fund	ENOSBURG TOWN TREASURER	3,087.24
Emergency Relief & Assistance Fund	ESSEX TOWN TREASURER	14,133.83
Emergency Relief & Assistance Fund	FERRISBURGH TOWN TREASURER	17,909.25
Emergency Relief & Assistance Fund	GEORGIA TOWN TREASURER	7,179.31
Emergency Relief & Assistance Fund	GLOVER TOWN TREASURER	771.96
Emergency Relief & Assistance Fund	GOSHEN TOWN TREASURER	3,511.73
Emergency Relief & Assistance Fund	GRAND ISLE TOWN TREASURER	17,539.66
Emergency Relief & Assistance Fund	GREENSBORO TOWN TREASURER	2,364.73
Emergency Relief & Assistance Fund	HIGHGATE TOWN TREASURER	3,936.83
Emergency Relief & Assistance Fund	HUNTINGTON TOWN TREASURER	30,250.44
Emergency Relief & Assistance Fund	HYDE PARK TOWN TREASURER	16,542.21
Emergency Relief & Assistance Fund	IRASBURG TOWN TREASURER	3,684.42
Emergency Relief & Assistance Fund	ISLE LAMOTTE TOWN TREASURER	52,365.96
Emergency Relief & Assistance Fund	JAY TOWN TREASURER	5,360.76
Emergency Relief & Assistance Fund	JERICO TOWN TREASURER	18,157.13
Emergency Relief & Assistance Fund	JOHNSON TOWN TREASURER	7,678.32
Emergency Relief & Assistance Fund	JOHNSON TOWN TREASURER	6,118.88
Emergency Relief & Assistance Fund	LOWELL TOWN TREASURER	446.49
Emergency Relief & Assistance Fund	LUNENBURG TOWN TREASURER	2,095.80
Emergency Relief & Assistance Fund	MILTON TOWN TREASURER	3,335.12
Emergency Relief & Assistance Fund	MONKTON TOWN TREASURER	6,972.38
Emergency Relief & Assistance Fund	MORRISTOWN TOWN TREASURER	29,981.55
Emergency Relief & Assistance Fund	NEWPORT TOWN TREASURER	1,411.63
Emergency Relief & Assistance Fund	NORTH HERO TOWN TREASURER	11,171.18
Emergency Relief & Assistance Fund	NORTON TOWN TREASURER	318.50
Emergency Relief & Assistance Fund	ORWELL TOWN TREASURER	3,030.53
Emergency Relief & Assistance Fund	PANTON TOWN TREASURER	4,750.24
Emergency Relief & Assistance Fund	RICHMOND TOWN TREASURER	6,149.44
Emergency Relief & Assistance Fund	SHELBURNE TOWN TREASURER	811.88
Emergency Relief & Assistance Fund	SHOREHAM TOWN TREASURER	1,828.95

Sec. 77a of Act 75 of the 2012 Session
1995 - April Event

[illegible]

[illegible]

Sec. 77a of Act 75 of the 2012 Session
4022 - Irene Event

Fund Name	Vendor Name	Payment Amount
Emergency Relief & Assistance Fund	ADDISON TOWN TREASURER	897.02
Emergency Relief & Assistance Fund	ALBANY TOWN TREASURER	34,374.70
Emergency Relief & Assistance Fund	ANDOVER TOWN TREASURER	11,975.49
Emergency Relief & Assistance Fund	ARLINGTON TOWN TREASURER	9,989.21
Emergency Relief & Assistance Fund	ATHENS TOWN TREASURER	7,294.33
Emergency Relief & Assistance Fund	BALTIMORE TOWN TREASURER	851.95
Emergency Relief & Assistance Fund	BARNARD TOWN TREASURER	20,235.11
Emergency Relief & Assistance Fund	BARNET TOWN TREASURER	32,733.04
Emergency Relief & Assistance Fund	BARRE CITY TREASURER	573.81
Emergency Relief & Assistance Fund	BARRE TOWN TREASURER	2,901.65
Emergency Relief & Assistance Fund	BARTON TOWN TREASURER	350.00
Emergency Relief & Assistance Fund	BARTON VILLAGE TREASURER	192.07
Emergency Relief & Assistance Fund	BELLOWS FALLS VILLAGE TREASURER	405.20
Emergency Relief & Assistance Fund	BENNINGTON TOWN TREASURER	48,768.48
Emergency Relief & Assistance Fund	BENSON TOWN TREASURER	8,078.67
Emergency Relief & Assistance Fund	BERLIN TOWN TREASURER	24,873.49
Emergency Relief & Assistance Fund	BETHEL TOWN TREASURER	41,290.79
Emergency Relief & Assistance Fund	BOLTON TOWN TREASURER	2,037.70
Emergency Relief & Assistance Fund	BRAINTREE TOWN TREASURER	32,431.49
Emergency Relief & Assistance Fund	BRANDON TOWN TREASURER	4,906.79
Emergency Relief & Assistance Fund	BRATTLEBORO TOWN TREASURER	41,414.30
Emergency Relief & Assistance Fund	BRIDGEWATER TOWN TREASURER	140,372.59
Emergency Relief & Assistance Fund	BRIDPORT TOWN TREASURER	21,267.65
Emergency Relief & Assistance Fund	BRIGHTON TOWN TREASURER	1,547.24
Emergency Relief & Assistance Fund	BRISTOL TOWN TREASURER	2,217.15
Emergency Relief & Assistance Fund	BROOKFIELD TOWN TREASURER	185.86
Emergency Relief & Assistance Fund	BROOKLINE TOWN TREASURER	2,144.06
Emergency Relief & Assistance Fund	BROWNINGTON TOWN TREASURER	172.28
Emergency Relief & Assistance Fund	BURLINGTON CITY TREASURER	825.05
Emergency Relief & Assistance Fund	CAMBRIDGE TOWN TREASURER	1,247.27
Emergency Relief & Assistance Fund	CASTLETON TOWN TREASURER	6,403.44
Emergency Relief & Assistance Fund	CAVENDISH TOWN TREASURER	181,737.22
Emergency Relief & Assistance Fund	CHARLESTON TOWN TREASURER	6,559.74
Emergency Relief & Assistance Fund	CHELSEA TOWN TREASURER	327.02
Emergency Relief & Assistance Fund	CHESTER TOWN TREASURER	54,587.36
Emergency Relief & Assistance Fund	CHITTENDEN TOWN TREASURER	9,488.91
Emergency Relief & Assistance Fund	CLARENDON TOWN TREASURER	174.26
Emergency Relief & Assistance Fund	CORINTH TOWN TREASURER	2,969.76
Emergency Relief & Assistance Fund	COVENTRY TOWN TREASURER	334.60
Emergency Relief & Assistance Fund	DANBY TOWN TREASURER	2,625.79
Emergency Relief & Assistance Fund	DANVILLE TOWN TREASURER	3,377.13
Emergency Relief & Assistance Fund	DORSET TOWN TREASURER	735.60
Emergency Relief & Assistance Fund	DOVER TOWN TREASURER	25,161.57
Emergency Relief & Assistance Fund	DUMMERSTON TOWN TREASURER	2,903.67
Emergency Relief & Assistance Fund	DUXBURY TOWN TREASURER	156,771.77
Emergency Relief & Assistance Fund	EAST MONTEPELIER TOWN TREASURER	1,785.26
Emergency Relief & Assistance Fund	ELMORE TOWN TREASURER	2,573.21

Sec. 77a of Act 75 of the 2012 Session
4022 - Irene Event

Fund Name	Vendor Name	Payment Amount
Emergency Relief & Assistance Fund	ENOSBURG TOWN TREASURER	174.52
Emergency Relief & Assistance Fund	FAIR HAVEN TOWN TREASURER	103.19
Emergency Relief & Assistance Fund	FAYSTON TOWN TREASURER	625.78
Emergency Relief & Assistance Fund	GOSHEN TOWN TREASURER	2,140.12
Emergency Relief & Assistance Fund	GRAFTON TOWN TREASURER	199,373.18
Emergency Relief & Assistance Fund	GRANVILLE TOWN TREASURER	2,501.33
Emergency Relief & Assistance Fund	GREENSBORO TOWN TREASURER	1,952.32
Emergency Relief & Assistance Fund	GROTON TOWN TREASURER	4,276.14
Emergency Relief & Assistance Fund	GUILFORD TOWN TREASURER	816.60
Emergency Relief & Assistance Fund	HALIFAX TOWN TREASURER	154,729.16
Emergency Relief & Assistance Fund	HANCOCK TOWN TREASURER	69,064.96
Emergency Relief & Assistance Fund	HARDWICK TOWN TREASURER	502.85
Emergency Relief & Assistance Fund	HARTFORD TOWN TREASURER	84,352.66
Emergency Relief & Assistance Fund	HARTLAND TOWN TREASURER	2,782.99
Emergency Relief & Assistance Fund	HOLLAND TOWN TREASURER	747.75
Emergency Relief & Assistance Fund	HUBBARDTON TOWN TREASURER	2,743.70
Emergency Relief & Assistance Fund	HUNTINGTON TOWN TREASURER	1,020.14
Emergency Relief & Assistance Fund	IRA TOWN TREASURER	2,768.92
Emergency Relief & Assistance Fund	IRASBURG TOWN TREASURER	894.25
Emergency Relief & Assistance Fund	JAMAICA TOWN TREASURER	29,359.03
Emergency Relief & Assistance Fund	JAY TOWN TREASURER	1,810.79
Emergency Relief & Assistance Fund	JOHNSON TOWN TREASURER	359.53
Emergency Relief & Assistance Fund	JOHNSON VILLAGE TREASURER	730.60
Emergency Relief & Assistance Fund	KILLINGTON TOWN TREASURER	16,933.98
Emergency Relief & Assistance Fund	KIRBY TOWN TREASURER	42,115.72
Emergency Relief & Assistance Fund	LANDGROVE TOWN TREASURER	227.41
Emergency Relief & Assistance Fund	LEICESTER TOWN TREASURER	301.95
Emergency Relief & Assistance Fund	LINCOLN TOWN TREASURER	5,508.97
Emergency Relief & Assistance Fund	LONDONDERRY TOWN TREASURER	10,830.12
Emergency Relief & Assistance Fund	LOWELL TOWN TREASURER	1,578.58
Emergency Relief & Assistance Fund	LUDLOW TOWN TREASURER	105,328.84
Emergency Relief & Assistance Fund	LUDLOW VILLAGE TREASURER	3,394.51
Emergency Relief & Assistance Fund	LUNENBURG TOWN TREASURER	61,293.65
Emergency Relief & Assistance Fund	LYNDON TOWN TREASURER	1,886.83
Emergency Relief & Assistance Fund	MANCHESTER TOWN TREASURER	9,953.23
Emergency Relief & Assistance Fund	MARLBORO TOWN TREASURER	8,448.90
Emergency Relief & Assistance Fund	MARSHFIELD TOWN TREASURER	18,425.98
Emergency Relief & Assistance Fund	MENDON TOWN TREASURER	17,212.52
Emergency Relief & Assistance Fund	MIDDLEBURY TOWN TREASURER	3,024.21
Emergency Relief & Assistance Fund	MIDDLESEX TOWN TREASURER	1,590.66
Emergency Relief & Assistance Fund	MIDDLETOWN SPRINGS TOWN TREASURER	3,831.69
Emergency Relief & Assistance Fund	MILTON TOWN TREASURER	2,580.00
Emergency Relief & Assistance Fund	MONTGOMERY TOWN TREASURER	3,824.48
Emergency Relief & Assistance Fund	MONTPELIER CITY TREASURER	515.30
Emergency Relief & Assistance Fund	MORETOWN TOWN TREASURER	42,525.12
Emergency Relief & Assistance Fund	MORGAN TOWN TREASURER	87.20
Emergency Relief & Assistance Fund	MORRISTOWN TOWN TREASURER	996.01
Emergency Relief & Assistance Fund	MOUNT HOLLY TOWN TREASURER	14,445.23
Emergency Relief & Assistance Fund	NEWBURY TOWN TREASURER	2,726.38
Emergency Relief & Assistance Fund	NEWFANE TOWN TREASURER	48,901.99

Sec. 77a of Act 75 of the 2012 Session
4022 - Irene Event

Fund Name	Vendor Name	Payment Amount
Emergency Relief & Assistance Fund	NEWPORT TOWN TREASURER	910.66
Emergency Relief & Assistance Fund	NORTH BENNINGTON VILLAGE TREASURER	1,378.05
Emergency Relief & Assistance Fund	NORTH TROY VILLAGE TREASURER	81.09
Emergency Relief & Assistance Fund	NORTHFIELD TOWN TREASURER	21,003.99
Emergency Relief & Assistance Fund	NORTHFIELD VILLAGE TREASURER	4,192.01
Emergency Relief & Assistance Fund	NORWICH TOWN TREASURER	28,044.96
Emergency Relief & Assistance Fund	ORANGE TOWN TREASURER	395.86
Emergency Relief & Assistance Fund	ORWELL TOWN TREASURER	3,109.68
Emergency Relief & Assistance Fund	PAWLET TOWN TREASURER	859.09
Emergency Relief & Assistance Fund	PEACHAM TOWN TREASURER	24,768.80
Emergency Relief & Assistance Fund	PERU TOWN TREASURER	456.51
Emergency Relief & Assistance Fund	PITTSFIELD TOWN TREASURER	77,039.71
Emergency Relief & Assistance Fund	PITTSFORD TOWN TREASURER	3,596.22
Emergency Relief & Assistance Fund	PLAINFIELD TOWN TREASURER	1,274.47
Emergency Relief & Assistance Fund	PLYMOUTH TOWN TREASURER	39,482.94
Emergency Relief & Assistance Fund	POMFRET TOWN TREASURER	28,285.78
Emergency Relief & Assistance Fund	POULTNEY TOWN TREASURER	227.60
Emergency Relief & Assistance Fund	POULTNEY VILLAGE TREASURER	80.79
Emergency Relief & Assistance Fund	POWNALE TOWN TREASURER	190.12
Emergency Relief & Assistance Fund	PROCTOR TOWN TREASURER	846.12
Emergency Relief & Assistance Fund	PUTNEY TOWN TREASURER	3,007.94
Emergency Relief & Assistance Fund	RANDOLPH TOWN TREASURER	31,902.07
Emergency Relief & Assistance Fund	READING TOWN TREASURER	32,518.40
Emergency Relief & Assistance Fund	READSBORO TOWN TREASURER	6,709.53
Emergency Relief & Assistance Fund	RICHFORD TOWN TREASURER	2,353.31
Emergency Relief & Assistance Fund	RICHMOND TOWN TREASURER	2,779.39
Emergency Relief & Assistance Fund	RIPTON TOWN TREASURER	6,263.36
Emergency Relief & Assistance Fund	ROCHESTER TOWN TREASURER	97,170.06
Emergency Relief & Assistance Fund	ROCKINGHAM TOWN TREASURER	19,292.21
Emergency Relief & Assistance Fund	ROXBURY TOWN TREASURER	164,308.93
Emergency Relief & Assistance Fund	ROYALTON TOWN TREASURER	23,943.27
Emergency Relief & Assistance Fund	RUPERT TOWN TREASURER	228.86
Emergency Relief & Assistance Fund	RUTLAND CITY TREASURER	44,856.27
Emergency Relief & Assistance Fund	RUTLAND TOWN TREASURER	1,051.19
Emergency Relief & Assistance Fund	RYEGATE TOWN TREASURER	3,231.54
Emergency Relief & Assistance Fund	SEARSBURG TOWN TREASURER	1,674.23
Emergency Relief & Assistance Fund	SHAFTSBURY TOWN TREASURER	2,439.19
Emergency Relief & Assistance Fund	SHARON TOWN TREASURER	11,356.43
Emergency Relief & Assistance Fund	SHEFFIELD TOWN TREASURER	10,264.52
Emergency Relief & Assistance Fund	SHOREHAM TOWN TREASURER	2,367.56
Emergency Relief & Assistance Fund	SHREWSBURY TOWN TREASURER	9,648.91
Emergency Relief & Assistance Fund	SOMERSET TOWN TREASURER	2,217.95
Emergency Relief & Assistance Fund	SOUTH BURLINGTON CITY TREASURER	335.17
Emergency Relief & Assistance Fund	SPRINGFIELD TOWN TREASURER	5,044.35
Emergency Relief & Assistance Fund	ST JOHNSBURY TOWN TREASURER	1,344.53
Emergency Relief & Assistance Fund	STAMFORD TOWN TREASURER	4,204.25
Emergency Relief & Assistance Fund	STANNARD TOWN TREASURER	16,628.88
Emergency Relief & Assistance Fund	STARKSBORO TOWN TREASURER	206.86
Emergency Relief & Assistance Fund	STOCKBRIDGE TOWN TREASURER	359,303.99

Sec. 77a of Act 75 of the 2012 Session
4022 - Irene Event

Fund Name	Vendor Name	Payment Amount
Emergency Relief & Assistance Fund	STOWE TOWN TREASURER	7,190.79
Emergency Relief & Assistance Fund	STRAFFORD TOWN TREASURER	73,069.89
Emergency Relief & Assistance Fund	STRATTON TOWN TREASURER	7,647.46
Emergency Relief & Assistance Fund	SUDBURY TOWN TREASURER	2,939.02
Emergency Relief & Assistance Fund	SUNDERLAND TOWN TREASURER	3,778.96
Emergency Relief & Assistance Fund	SUTTON TOWN TREASURER	1,502.24
Emergency Relief & Assistance Fund	THETFORD TOWN TREASURER	1,266.63
Emergency Relief & Assistance Fund	TINMOUTH TOWN TREASURER	932.80
Emergency Relief & Assistance Fund	TOPSHAM TOWN TREASURER	4,214.52
Emergency Relief & Assistance Fund	TOWNSHEND TOWN TREASURER	17,859.38
Emergency Relief & Assistance Fund	TUNBRIDGE TOWN TREASURER	6,894.33
Emergency Relief & Assistance Fund	VERNON TOWN TREASURER	568.67
Emergency Relief & Assistance Fund	VERSHIRE TOWN TREASURER	3,401.43
Emergency Relief & Assistance Fund	WAITSFIELD TOWN TREASURER	4,456.18
Emergency Relief & Assistance Fund	WALDEN TOWN TREASURER	2,466.09
Emergency Relief & Assistance Fund	WALLINGFORD TOWN TREASURER	4,968.54
Emergency Relief & Assistance Fund	WARDSBORO TOWN TREASURER	17,231.79
Emergency Relief & Assistance Fund	WARREN TOWN TREASURER	11,334.93
Emergency Relief & Assistance Fund	WASHINGTON TOWN TREASURER	2,912.08
Emergency Relief & Assistance Fund	WATERBURY TOWN TREASURER	16,183.70
Emergency Relief & Assistance Fund	WATERBURY VILLAGE TREASURER	5,411.00
Emergency Relief & Assistance Fund	WEATHERSFIELD TOWN TREASURER	8,180.67
Emergency Relief & Assistance Fund	WELLS TOWN TREASURER	668.83
Emergency Relief & Assistance Fund	WEST FAIRLEE TOWN TREASURER	7,729.89
Emergency Relief & Assistance Fund	WEST HAVEN TOWN TREASURER	4,276.92
Emergency Relief & Assistance Fund	WEST RUTLAND TOWN TREASURER	1,065.39
Emergency Relief & Assistance Fund	WEST WINDSOR TOWN TREASURER	37,124.96
Emergency Relief & Assistance Fund	WESTFIELD TOWN TREASURER	892.51
Emergency Relief & Assistance Fund	WESTMINSTER TOWN TREASURER	31,650.48
Emergency Relief & Assistance Fund	WESTMORE TOWN TREASURER	2,325.03
Emergency Relief & Assistance Fund	WESTON TOWN TREASURER	21,175.26
Emergency Relief & Assistance Fund	WHEELLOCK TOWN TREASURER	17,048.17
Emergency Relief & Assistance Fund	WHITING TOWN TREASURER	10,141.39
Emergency Relief & Assistance Fund	WHITINGHAM TOWN TREASURER	30,456.03
Emergency Relief & Assistance Fund	WILLIAMSTOWN TOWN TREASURER	431.19
Emergency Relief & Assistance Fund	WILLISTON TOWN TREASURER	211.32
Emergency Relief & Assistance Fund	WILMINGTON TOWN TREASURER	23,578.95
Emergency Relief & Assistance Fund	WINDHAM TOWN TREASURER	8,755.34
Emergency Relief & Assistance Fund	WINDSOR TOWN TREASURER	4,161.70
Emergency Relief & Assistance Fund	WINHALL TOWN TREASURER	10,241.97
Emergency Relief & Assistance Fund	WOLCOTT TOWN TREASURER	983.83
Emergency Relief & Assistance Fund	WOODBURY TOWN TREASURER	19,243.71
Emergency Relief & Assistance Fund	WOODFORD TOWN TREASURER	8,488.59
Emergency Relief & Assistance Fund	WOODSTOCK TOWN TREASURER	111,159.82
Emergency Relief & Assistance Fund	WOODSTOCK VILLAGE TREASURER	5,222.83
Emergency Relief & Assistance Fund	WORCESTER TOWN TREASURER	1,655.66
		\$ 3,613,369.19

Sec. 77a of Act 75 of the 2012 Session
4043 - May 20, 2011 Event

Fund Name	Vendor Name	Payment Amount
Emergency Relief & Assistance Fund	FAIRFIELD TOWN TREASURER	72,341.60
Emergency Relief & Assistance Fund	FAYSTON TOWN TREASURER	5,595.19
Emergency Relief & Assistance Fund	FLETCHER TOWN TREASURER	39,718.72
Emergency Relief & Assistance Fund	WAITSFIELD TOWN TREASURER	37,179.52
Emergency Relief & Assistance Fund	WESTMINSTER TOWN TREASURER	19,003.29
		\$ 173,838.32

State of Vermont
Agency of Administration
Office of the Secretary
Pavilion Office Building
109 State Street
Montpelier, VT 056209-0201
www.adm.state.vt.us

[phone] 802-828-3322
[fax] 802-828-3320

Jeb Spaulding, Secretary

MEMORANDUM

To: Members, Joint Fiscal Committees
From: Jeb Spaulding, Secretary of Administration
Date: November 14, 2013
Subject: FEMA Reporting and Oversight per Act 50 of 2013 Legislative Session

Attached are the reports required in Sec. E. 100.1 (a) of Act 50 of 2013 Legislative Session. Please find below the narrative from Act 50 followed by an explanation of the report attached.

FEDERAL EMERGENCY MANAGEMENT AGENCY REPORTING AND OVERSIGHT

(a) The secretary of administration shall report to the Joint Fiscal Committee at each of its scheduled meetings in fiscal year 2014 on funding received from the Federal Emergency Management Agency (FEMA) Public Assistance Program and associated emergency relief and assistance funds match for the damages due to Tropical Storm Irene.

(1) a projection of the total funding needs for the FEMA Public Assistance Program and to the extent possible, details about the projected funding by state agency or municipality;

FEMA has projected, to date, approximately \$207 million in federal FEMA Public Assistance (PA) funds and has obligated \$207 million of the PA funds. The majority of the project worksheets have been completed by FEMA.

(2) spending authority (appropriated and excess receipts) granted to date for the FEMA Public Assistance Program and the associated emergency relief and assistance funds match;

FEMA Public Assistance program through FY '13	\$110,852,457.11
FEMA Public Assistance program for FY '14	\$44,381,122.00
Associated emergency relief and assistance funds match through FY '13	4,325,190.99
Associated emergency relief and assistance funds match for FY '14	<u>\$1,485,250.00</u>
Total spending authority	\$161,044,020.10

(3) information on any audit findings that may result in financial impacts to the State; and

No audit findings have resulted in a financial impact to the State.



(4) actual expenditures to date made from the spending authority granted and to the extent possible, details about the expended funds by state agency or municipality.

The expenditures through October 31, 2013 from the spending authority by state agency or municipality detail are attached starting on page two of the report. A summary is below:

FEMA Public Assistance program expenditure	\$125,803,789.46
Total to date the associated emergency relief and assistance funds match	<u>\$4,943,841.97</u>
Total to date expenditures	\$130,747,631.43

CC: Brian Searles, Agency of Transportation



Sec 100.1 of Act 50 of the 2013 Session

Reporting and Oversight through 10/31/2013

Spending Authority (appropriated and excess receipts) granted through 10/31/2013 for FEMA Public Assistance Program and the associated emergency relief and assistance funds match.

Projected FEMA Funds

\$207,000,000.00

<u>Year</u>		<u>Fund #</u>	<u>Fund Name</u>	<u>Total</u>
2012	Appropriated	21555	ERAF - Emergency Relief and Assistance	\$1,371,577.53
2012	Expended for Irene	21555	ERAF - Emergency Relief and Assistance	\$1,371,577.53
2012	Appropriated	20150	FEMA funds	\$63,864,323.44
2012	Expended for Irene	20150	FEMA funds	\$63,864,323.44
2013	Appropriated	21555	ERAF - Emergency Relief and Assistance	\$2,953,613.46
2013	Expended for Irene	21555	ERAF - Emergency Relief and Assistance	\$2,953,613.46
2013	Appropriated	20150	FEMA funds	\$46,988,133.67
2013	Expended for Irene	20150	FEMA funds	\$46,988,133.67
2014	Appropriated	21555	ERAF - Emergency Relief and Assistance	\$1,485,250.00
2014	Expended for Irene	21555	ERAF - Emergency Relief and Assistance	\$618,650.98
2014	Appropriated	20150	FEMA funds	\$44,381,122.00
2014	Expended for Irene	20150	FEMA funds	\$14,951,332.35
	Total Appropriated	21555	ERAF - Emergency Relief and Assistance	\$5,810,440.99
	Total Expended for Irene	21555	ERAF - Emergency Relief and Assistance	\$4,943,841.97
	Total Appropriated	20150	FEMA funds	\$155,233,579.11
	Total Expended for Irene	20150	FEMA funds	\$125,803,789.46

VendorNameStars	VisionProgram	FEMA PA	ERAF	Cumulative
AGENCY OF TRANSPORTATION	59700	21,209,733.62	1,084,801.49	22,294,535.11
ADDISON TOWN TREASURER	59700	16,146.41	897.02	17,043.43
AGENCY OF COMMERCE &	59700	14,268.89	0.00	14,268.89
ALBANY TOWN TREASURER	59700	518,263.26	34,374.70	552,637.96
ANDOVER TOWN TREASURER	59700	266,527.19	11,975.49	278,502.68
ARLINGTON TOWN TREASURER	59700	179,805.99	9,989.21	189,795.20
ATHENS TOWN TREASURER	59700	131,297.82	7,294.33	138,592.15
BALTIMORE TOWN TREASURER	59700	15,335.02	851.95	16,186.97
BARNARD TOWN TREASURER	59700	1,198,331.75	20,235.11	1,218,566.86
BARNET TOWN TREASURER	59700	78,769.61	32,733.04	111,502.65
BARRE CITY TREASURER	59700	76,769.48	573.81	77,343.29
BARRE TOWN TREASURER	59700	52,229.82	2,901.65	55,131.47
BARTON TOWN TREASURER	59700	6,300.00	350.00	6,650.00
BARTON VILLAGE TREASURER	59700	16,015.24	192.07	16,207.31
BELLOWS FALLS VILLAGE TREASURER	59700	7,293.60	405.20	7,698.80
BENNINGTON TOWN TREASURER	59700	3,180,834.40	48,768.48	3,229,602.88
BENSON TOWN TREASURER	59700	145,415.92	8,078.67	153,494.59
BERLIN TOWN TREASURER	59700	447,722.85	24,873.49	472,596.34
BETHEL TOWN SCHOOL DISTRICT	59700	87,347.41	0.00	87,347.41
BETHEL TOWN TREASURER	59700	3,793,764.40	205,522.78	3,999,287.18
BOLTON TOWN TREASURER	59700	105,950.38	2,037.70	107,988.08
BRADFORD ID SCHOOL DISTRICT	59700	3,420.00	0.00	3,420.00
BRAINTREE TOWN TREASURER	59700	1,803,998.17	32,431.49	1,836,429.66
BRANDON FIRE DIST # 1	59700	53,977.21	0.00	53,977.21
BRANDON TOWN TREASURER	59700	196,436.39	4,906.79	201,343.18
BRATTLEBORO HOUSING AUTHORITY	59700	469,480.97	0.00	469,480.97
BRATTLEBORO TOWN TREASURER	59700	863,450.17	41,414.30	904,864.47
BRIDGEWATER TOWN TREASURER	59700	1,839,080.11	140,372.59	1,979,452.70
BRIDGEWATER VOLUNTEER FIRE DEPARTMENT	59700	11,496.86	0.00	11,496.86
BRIDPORT TOWN TREASURER	59700	382,817.68	21,267.65	404,085.33
BRIGHTON TOWN TREASURER	59700	27,850.36	1,547.24	29,397.60
BRISTOL TOWN TREASURER	59700	39,908.65	2,217.15	42,125.80
BROOKFIELD TOWN TREASURER	59700	62,556.43	185.86	62,742.29
BROOKLINE TOWN TREASURER	59700	38,592.80	2,144.06	40,736.86
BROWNINGTON TOWN TREASURER	59700	860,043.45	172.28	860,215.73
BUILDINGS & GENERAL SERVICES-FEE FOR	59700	870,548.47	0.00	870,548.47
BUILDINGS & GENERAL SERVICES-FLEET MGT	59700	4,504.19	0.00	4,504.19
BUILDINGS & GENERAL SVCS-PURCHASING CARD	59700	1,220.51	0.00	1,220.51
BURLINGTON CITY TREASURER	59700	14,850.86	825.05	15,675.91
CAMBRIDGE TOWN TREASURER	59700	22,450.69	1,247.27	23,697.96
CASTLETON TOWN TREASURER	59700	115,261.89	6,403.44	121,665.33
CAVENDISH FIRE DISTRICT # 1	59700	8,532.00	0.00	8,532.00
CAVENDISH FIRE DISTRICT #2	59700	2,835.34	0.00	2,835.34
CAVENDISH TOWN TREASURER	59700	2,847,855.22	181,737.22	3,029,592.44
CHAMPION FIRE COMPANY # 5	59700	11,163.79	0.00	11,163.79
CHARLESTON TOWN TREASURER	59700	168,654.97	6,559.74	175,214.71
CHELSEA TOWN TREASURER	59700	5,886.15	327.02	6,213.17
CHESTER TOWN TREASURER	59700	1,167,857.81	54,587.36	1,222,445.17
CHESTER-ANDOVER ELEM U S D #29	59700	9,083.21	0.00	9,083.21
CHITTENDEN COUNTY TRANSPORTATION AUTH	59700	410,042.44	0.00	410,042.44
CHITTENDEN TOWN TREASURER	59700	170,800.35	9,488.91	180,289.26
CHITTENDEN VOLUNTEER FIRE DEPARTMENT	59700	1,979.79	0.00	1,979.79
CLARENDON TOWN TREASURER	59700	3,136.68	174.26	3,310.94
COLD BROOK FIRE DISTRICT # 1	59700	9,365.81	0.00	9,365.81
CORINTH TOWN TREASURER	59700	53,455.94	2,969.76	56,425.70
COVENTRY TOWN TREASURER	59700	17,828.33	334.60	18,162.93
CRAFTSBURY TOWN TREASURER	59700	16,264.71	0.00	16,264.71
DANBY TOWN TREASURER	59700	122,697.59	2,625.79	125,323.38
DANBY-MT TABOR FIRE COMPANY	59700	20,972.13	0.00	20,972.13
DANBY-MT TABOR FIRE DISTRICT #1	59700	4,790.75	0.00	4,790.75
DANVILLE TOWN TREASURER	59700	60,788.32	3,377.13	64,165.45

VendorNameStars	VisionProgram	FEMA PA	ERAF	Cumulative
DEPARTMENT OF PUBLIC SAFETY	59700	1,146,857.23	0.00	1,146,857.23
DEPT OF AGING AND DISABILITIES	59700	495.00	0.00	495.00
DEPT OF CHILD & FAMILIES	59700	6,484.50	0.00	6,484.50
DORSET TOWN TREASURER	59700	13,240.75	735.60	13,976.35
DOVER TOWN SCHOOL DISTRICT	59700	3,973.99	0.00	3,973.99
DOVER TOWN TREASURER	59700	452,907.60	25,161.57	478,069.17
DUMMERSTON TOWN TREASURER	59700	52,266.11	2,903.67	55,169.78
DUXBURY TOWN TREASURER	59700	629,594.91	156,771.77	786,366.68
EAST MONTPELIER TOWN TREASURER	59700	32,134.75	1,785.26	33,920.01
ELMORE TOWN TREASURER	59700	46,317.87	2,573.21	48,891.08
ENOSBURG TOWN TREASURER	59700	3,141.38	174.52	3,315.90
FAIR HAVEN TOWN TREASURER	59700	1,857.41	103.19	1,960.60
FAYSTON TOWN TREASURER	59700	11,264.10	625.78	11,889.88
FISH & WILDLIFE, DEPARTMENT OF	59700	598,991.32	0.00	598,991.32
GOSHEN TOWN TREASURER	59700	38,522.14	2,140.12	40,662.26
GRAFTON TOWN TREASURER	59700	2,987,599.85	199,373.18	3,186,973.03
GRANVILLE TOWN TREASURER	59700	525,816.56	2,501.33	528,317.89
GRANVILLE VOLUNTEER FIRE DEPT. INC	59700	3,336.76	0.00	3,336.76
GREENSBORO TOWN TREASURER	59700	35,141.73	1,952.32	37,094.05
GROTON TOWN TREASURER	59700	338,956.56	4,276.14	343,232.70
GUILFORD TOWN TREASURER	59700	226,873.99	816.60	227,690.59
HALIFAX TOWN TREASURER	59700	3,794,959.11	154,729.16	3,949,688.27
HANCOCK TOWN TREASURER	59700	1,379,060.39	69,064.96	1,448,125.35
HARDWICK ELECTRIC DEPT	59700	14,421.21	0.00	14,421.21
HARDWICK TOWN TREASURER	59700	9,051.30	502.85	9,554.15
HARTFORD TOWN TREASURER	59700	1,636,519.31	84,352.66	1,720,871.97
HARTLAND TOWN TREASURER	59700	127,459.88	2,782.99	130,242.87
HOLLAND TOWN TREASURER	59700	13,459.51	747.75	14,207.26
HOUSING FOUNDATION INC	59700	125,054.37	0.00	125,054.37
HUBBARDTON TOWN TREASURER	59700	90,023.58	2,743.70	92,767.28
HUNTINGTON TOWN TREASURER	59700	134,201.52	1,020.14	135,221.66
INFORMATION & INNOVATION-CIT-TELECOMM	59700	638.78	0.00	638.78
IRA TOWN TREASURER	59700	49,840.54	2,768.92	52,609.46
IRASBURG TOWN TREASURER	59700	45,878.64	894.25	46,772.89
JACKSONVILLE VILLAGE ELECTRIC CO	59700	29,904.22	0.00	29,904.22
JAMAICA TOWN TREASURER	59700	2,583,857.44	29,359.03	2,613,216.47
JAY TOWN TREASURER	59700	79,460.70	1,810.79	81,271.49
JERICO FIRE DISTRICT #1	59700	10,284.28	0.00	10,284.28
JOHNSON TOWN TREASURER	59700	6,471.59	359.53	6,831.12
JOHNSON VILLAGE TREASURER	59700	13,150.82	730.60	13,881.42
KILLINGTON TOWN TREASURER	59700	1,539,566.18	16,933.98	1,556,500.16
KIRBY TOWN TREASURER	59700	5,863.50	42,115.72	47,979.22
LANDGROVE TOWN TREASURER	59700	4,093.20	227.41	4,320.61
LANDMARK COLLEGE	59700	240,460.77	0.00	240,460.77
LEICESTER TOWN TREASURER	59700	5,435.13	301.95	5,737.08
LINCOLN TOWN TREASURER	59700	164,124.06	5,508.97	169,633.03
LONDONDERRY TOWN TREASURER	59700	194,942.11	10,830.12	205,772.23
LOWELL TOWN TREASURER	59700	28,414.59	1,578.58	29,993.17
LUDLOW TOWN TREASURER	59700	1,951,207.38	105,328.84	2,056,536.22
LUDLOW VILLAGE TREASURER	59700	213,110.43	3,394.51	216,504.94
LUNENBURG TOWN TREASURER	59700	24,346.84	61,293.65	85,640.49
LYNDON TOWN TREASURER	59700	33,962.82	1,886.83	35,849.65
MAD RIVER SOLID WASTE ALLIANCE	59700	25,983.00	0.00	25,983.00
MANCHESTER TOWN TREASURER	59700	179,158.13	9,953.23	189,111.36
MARLBORO TOWN TREASURER	59700	809,266.65	8,448.90	817,715.55
MARSHFIELD TOWN TREASURER	59700	57,489.12	18,425.98	75,915.10
MENDON TOWN TREASURER	59700	939,805.89	17,212.52	957,018.41
MENTAL HEALTH, DEPARTMENT OF	59700	12,571.96	0.00	12,571.96
MIDDLEBURY TOWN TREASURER	59700	64,822.69	3,024.21	67,846.90
MIDDLESEX TOWN TREASURER	59700	28,632.00	1,590.66	30,222.66
MIDDLETOWN SPRINGS TOWN TREASURER	59700	68,970.38	3,831.69	72,802.07

VendorNameStars	VisionProgram	FEMA PA	ERAF	Cumulative
MILITARY DEPARTMENT	59700	144,962.01	0.00	144,962.01
MILTON TOWN TREASURER	59700	46,440.00	2,580.00	49,020.00
MONTGOMERY TOWN TREASURER	59700	68,840.44	3,824.48	72,664.92
MONTPELIER CITY SCHOOL DIST	59700	10,469.71	0.00	10,469.71
MONTPELIER CITY TREASURER	59700	9,275.36	515.30	9,790.66
MORETOWN TOWN SCHOOL DISTRICT	59700	900.00	0.00	900.00
MORETOWN TOWN TREASURER	59700	1,841,831.69	42,525.12	1,884,356.81
MORGAN TOWN TREASURER	59700	1,569.60	87.20	1,656.80
MORRISTOWN TOWN TREASURER	59700	17,927.99	996.01	18,924.00
MOUNT HOLLY TOWN TREASURER	59700	330,745.70	14,445.23	345,190.93
MOUNT TABOR TOWN TREASURER	59700	7,588.44	421.58	8,010.02
NATURAL RESOURCES AGENCY	59700	990.00	0.00	990.00
NEW ENGLAND KURN HATTIN HOMES	59700	14,163.75	0.00	14,163.75
NEWBURY TOWN TREASURER	59700	49,074.88	2,726.38	51,801.26
NEWFANE TOWN TREASURER	59700	1,984,520.40	48,901.99	2,033,422.39
NEWPORT TOWN TREASURER	59700	16,391.73	910.66	17,302.39
NORTH BENNINGTON VILLAGE TREASURER	59700	24,804.91	1,378.05	26,182.96
NORTH TROY VILLAGE TREASURER	59700	81,236.43	81.09	81,317.52
NORTHFIELD TOWN TREASURER	59700	640,563.35	21,003.99	661,567.34
NORTHFIELD VILLAGE TREASURER	59700	75,456.04	4,192.01	79,648.05
NORWICH TOWN TREASURER	59700	598,086.21	28,044.96	626,131.17
ORANGE COUNTY SHERIFF'S DEPT	59700	3,055.67	0.00	3,055.67
ORANGE TOWN TREASURER	59700	7,125.58	395.86	7,521.44
ORANGE WINDSOR SUPERVISORY UNION	59700	49,622.63	3,784.05	53,406.68
ORWELL TOWN TREASURER	59700	55,974.38	3,109.68	59,084.06
PAWLET TOWN TREASURER	59700	218,441.29	859.09	219,300.38
PAWLET VOLUNTEER FIRE DEPT	59700	2,459.52	0.00	2,459.52
PEACHAM TOWN TREASURER	59700	44,127.65	24,768.80	68,896.45
PERU TOWN TREASURER	59700	276,913.45	456.51	277,369.96
PITTSFIELD TOWN TREASURER	59700	956,264.44	77,039.71	1,033,304.15
PITTSFORD TOWN TREASURER	59700	62,178.08	3,596.22	65,774.30
PLAINFIELD TOWN TREASURER	59700	22,940.42	1,274.47	24,214.89
PLYMOUTH TOWN TREASURER	59700	1,173,608.86	39,482.94	1,213,091.80
POMFRET TOWN TREASURER	59700	766,905.06	28,285.78	795,190.84
POULTNEY TOWN TREASURER	59700	121,653.36	227.60	121,880.96
POULTNEY VILLAGE TREASURER	59700	1,454.30	80.79	1,535.09
POWNA TOWN TREASURER	59700	46,311.85	190.12	46,501.97
PROCTOR TOWN TREASURER	59700	41,335.08	846.12	42,181.20
PUTNEY TOWN TREASURER	59700	90,116.26	5,127.21	95,243.47
RANDOLPH TOWN TREASURER	59700	668,925.84	31,902.07	700,827.91
READING TOWN TREASURER	59700	1,675,920.14	32,518.40	1,708,438.54
READSBORO TOWN SCHOOL DISTRICT	59700	3,348.00	0.00	3,348.00
READSBORO TOWN TREASURER	59700	632,297.10	6,709.53	639,006.63
RICHFORD TOWN TREASURER	59700	201,712.45	2,353.31	204,065.76
RICHMOND TOWN TREASURER	59700	124,169.47	2,779.39	126,948.86
RIPTON TOWN TREASURER	59700	112,740.57	6,263.36	119,003.93
ROCHESTER TOWN TREASURER	59700	2,741,376.94	97,170.06	2,838,547.00
ROCKINGHAM TOWN TREASURER	59700	1,371,509.93	19,292.21	1,390,802.14
ROXBURY TOWN TREASURER	59700	1,680,116.96	164,308.93	1,844,425.89
ROYALTON FIRE DISTRICT #1	59700	12,755.70	0.00	12,755.70
ROYALTON TOWN TREASURER	59700	1,535,018.44	23,943.27	1,558,961.71
RUPERT TOWN TREASURER	59700	125,350.67	228.86	125,579.53
RUTLAND CITY TREASURER	59700	865,135.35	44,856.27	909,991.62
RUTLAND NORTHEAST SUPERVISORY UNION	59700	2,136.93	0.00	2,136.93
RUTLAND TOWN TREASURER	59700	18,921.25	1,051.19	19,972.44
RYEGATE TOWN TREASURER	59700	58,167.72	3,231.54	61,399.26
SANDGATE TOWN TREASURER	59700	73,436.36	0.00	73,436.36
SEARSBURG TOWN TREASURER	59700	175,858.39	1,674.23	177,532.62
SHAFTSBURY TOWN TREASURER	59700	44,084.19	2,449.12	46,533.31
SHARON TOWN TREASURER	59700	505,740.32	11,356.43	517,096.75
SHEFFIELD TOWN TREASURER	59700	184,761.04	10,264.52	195,025.56

VendorNameStars	VisionProgram	FEMA PA	ERAF	Cumulative
SHEFFIELD-WHEELOCK FIRE DEPT	59700	3,776.94	0.00	3,776.94
SHERBURNE FIRE DISTRICT #1	59700	29,180.37	0.00	29,180.37
SHOREHAM TOWN TREASURER	59700	42,616.13	2,367.56	44,983.69
SHREWSBURY TOWN TREASURER	59700	1,524,904.22	9,648.91	1,534,553.13
SHREWSBURY VOLUNTEER FIRE DEPARTMENT INC	59700	0.00	8,766.00	8,766.00
SOMERSET TOWN TREASURER	59700	39,922.89	2,217.95	42,140.84
SOUTH BURLINGTON CITY TREASURER	59700	6,032.99	335.17	6,368.16
SOUTH ROYALTON VOLUNTEER FIRE DEPARTMENT	59700	8,744.85	0.00	8,744.85
SOUTH WOODSTOCK FIRE PROTECTION	59700	8,263.78	0.00	8,263.78
SPRINGFIELD MEDICAL CARE SYSTEMS	59700	59,469.11	0.00	59,469.11
SPRINGFIELD TOWN TREASURER	59700	90,798.42	5,044.35	95,842.77
ST JOHNSBURY TOWN TREASURER	59700	30,741.07	1,707.84	32,448.91
STAMFORD TOWN TREASURER	59700	75,676.56	4,204.25	79,880.81
STANNARD TOWN TREASURER	59700	550,946.44	16,628.88	567,575.32
STARKSBORO TOWN TREASURER	59700	14,955.23	206.86	15,162.09
STOCKBRIDGE TOWN TREASURER	59700	2,376,019.05	359,303.99	2,735,323.04
STOWE TOWN TREASURER	59700	297,069.57	7,190.79	304,260.36
STRAFFORD TOWN TREASURER	59700	1,212,040.66	73,069.89	1,285,110.55
STRATTON TOWN TREASURER	59700	744,630.37	7,647.46	752,277.83
SUDBURY TOWN TREASURER	59700	52,902.46	2,939.02	55,841.48
SUNDERLAND TOWN TREASURER	59700	68,021.16	3,778.96	71,800.12
SUTTON TOWN TREASURER	59700	27,040.38	1,502.24	28,542.62
THETFORD TOWN TREASURER	59700	22,799.26	1,266.63	24,065.89
TINMOUTH TOWN TREASURER	59700	16,790.32	932.80	17,723.12
TOPSHAM TOWN TREASURER	59700	75,861.29	4,214.52	80,075.81
TOWNSHEND TOWN TREASURER	59700	814,903.55	17,859.38	832,762.93
TUNBRIDGE TOWN TREASURER	59700	124,097.96	6,894.33	130,992.29
UNIFIED DISTRICT #37	59700	0.00	17,091.40	17,091.40
VERMONT ACHIEVEMENT CENTER	59700	28,382.48	0.00	28,382.48
VERMONT CENTER FOR CRIME VICTIM SERVICES	59700	715.69	0.00	715.69
VERMONT ELECTRIC CO-OP INC	59700	925,144.52	0.00	925,144.52
VERMONT ELECTRIC COOPERATIVE INC	59700	185,028.89	0.00	185,028.89
VERMONT STATE ENVIRONMENTAL	59700	26,650.18	0.00	26,650.18
VERNON TOWN TREASURER	59700	10,236.19	568.67	10,804.86
VERSHIRE TOWN TREASURER	59700	113,743.72	3,401.43	117,145.15
VT CENTER FOR CRIME VICTIM SERVICES	59700	3,578.44	0.00	3,578.44
VT DEPARTMENT OF HUMAN RESOURCES	59700	5,989.50	0.00	5,989.50
VT STATE BUILDINGS DEPT.	59700	10,982,130.05	0.00	10,982,130.05
VT STATE DEPT OF AGRICULTURE, FOOD & MAR	59700	15,315.53	0.00	15,315.53
VT STATE FOREST PARKS & RECREATION	59700	674,240.77	0.00	674,240.77
VT STATE HEALTH DEPARTMENT	59700	36,717.08	0.00	36,717.08
VT STATE HUMAN SERVICES SECRETARY	59700	23,958.00	0.00	23,958.00
WAITS RIVER VALLEY UNION SCHOOL DIST #36	59700	2,700.00	0.00	2,700.00
WAITSFIELD TOWN TREASURER	59700	177,559.78	4,456.18	182,015.96
WALDEN TOWN TREASURER	59700	111,506.85	2,466.09	113,972.94
WALLINGFORD FIRE DISTRICT #1	59700	7,775.90	0.00	7,775.90
WALLINGFORD TOWN TREASURER	59700	178,481.11	4,968.54	183,449.65
WARDSBORO TOWN TREASURER	59700	1,188,724.23	17,231.79	1,205,956.02
WARREN TOWN TREASURER	59700	562,186.40	11,334.93	573,521.33
WASHINGTON ELECTRIC CO-OP INC	59700	102,126.42	0.00	102,126.42
WASHINGTON TOWN TREASURER	59700	52,417.44	2,912.08	55,329.52
WATERBURY TOWN TREASURER	59700	291,306.57	16,183.70	307,490.27
WATERBURY VILLAGE TREASURER	59700	97,397.87	5,411.00	102,808.87
WEATHERSFIELD TOWN TREASURER	59700	485,294.44	26,960.81	512,255.25
WELLS TOWN TREASURER	59700	12,039.00	668.83	12,707.83
WEST FAIRLEE TOWN TREASURER	59700	139,137.93	7,729.89	146,867.82
WEST HAVEN TOWN TREASURER	59700	76,984.48	4,276.92	81,261.40
WEST PAWLET VOLUNTEER FIRE DEPT INC	59700	21,441.60	0.00	21,441.60
WEST RUTLAND TOWN TREASURER	59700	19,176.83	1,065.39	20,242.22
WEST WINDSOR TOWN TREASURER	59700	668,249.06	37,124.96	705,374.02
WESTFIELD TOWN TREASURER	59700	16,065.07	892.51	16,957.58

VendorNameStars	VisionProgram	FEMA PA	ERAF	Cumulative
WESTMINSTER FIRE DISTRICT # 3	59700	14,787.84	0.00	14,787.84
WESTMINSTER TOWN TREASURER	59700	623,316.43	31,650.48	654,966.91
WESTMORE TOWN TREASURER	59700	41,850.57	2,325.03	44,175.60
WESTON COMMUNITY ASSOCIATION INC	59700	28,958.40	0.00	28,958.40
WESTON TOWN TREASURER	59700	383,036.25	21,175.26	404,211.51
WESTON VOLUNTEER FIRE DEPT INC	59700	1,082.93	0.00	1,082.93
WHEELOCK TOWN TREASURER	59700	306,866.97	17,048.17	323,915.14
WHITING TOWN TREASURER	59700	563.41	10,141.39	10,704.80
WHITINGHAM TOWN TREASURER	59700	657,404.74	30,456.03	687,860.77
WILLIAMSTOWN TOWN TREASURER	59700	7,761.40	431.19	8,192.59
WILLISTON TOWN TREASURER	59700	3,803.84	211.32	4,015.16
WILMINGTON TOWN SCHOOL DISTRICT	59700	76,265.23	0.00	76,265.23
WILMINGTON TOWN TREASURER	59700	1,342,116.09	23,578.95	1,365,695.04
WILMINGTON WATER DISTRICT	59700	23,666.17	0.00	23,666.17
WINDHAM CENTRAL SUPERVISORY UNION	59700	1,023.53	0.00	1,023.53
WINDHAM COUNTY CLERK	59700	2,378.21	0.00	2,378.21
WINDHAM SOLID WASTE MANAGEMENT	59700	13,684.14	0.00	13,684.14
WINDHAM TOWN TREASURER	59700	646,800.82	38,858.96	685,659.78
WINDSOR NORTHWEST SUPERVISORY UNION	59700	1,066.64	0.00	1,066.64
WINDSOR SCHOOL DISTRICT & MANCHESTER	59700	23,029.06	0.00	23,029.06
WINDSOR TOWN TREASURER	59700	188,817.49	4,161.70	192,979.19
WINDSOR-ASCUTNEY SEWAGE TREATMENT ENT	59700	20,671.58	0.00	20,671.58
WINHALL TOWN TREASURER	59700	184,355.22	10,241.97	194,597.19
WOLCOTT TOWN TREASURER	59700	17,708.85	983.83	18,692.68
WOODBURY TOWN TREASURER	59700	346,916.92	19,243.71	366,160.63
WOODBURY VOLUNTEER FIRE DEPT	59700	2,321.16	0.00	2,321.16
WOODFORD TOWN TREASURER	59700	265,503.70	8,488.59	273,992.29
WOODSTOCK ASSOCIATES, INC.	59700	34,853.02	0.00	34,853.02
WOODSTOCK TOWN TREASURER	59700	3,888,089.79	111,159.82	3,999,249.61
WOODSTOCK UNION HIGH SCHOOL DISTRICT #4	59700	15,100.29	0.00	15,100.29
WOODSTOCK VILLAGE TREASURER	59700	94,010.87	5,222.83	99,233.70
WORCESTER TOWN TREASURER	59700	29,801.79	1,655.66	31,457.45

125,803,789.46 4,943,841.97 130,747,631.43

State of Vermont
Agency of Administration
Office of the Secretary
 Pavilion Office Building
 109 State Street
 Montpelier, VT 05609-0201
www.aoa.vermont.gov

[phone] 802-828-3322
 [fax] 802-828-3320

Jeb Spaulding, Secretary

TO: Joint Fiscal Committee

FROM: Kate G. Duffy, Commissioner of the Department of Resources

COPY: Jeb Spaulding, Secretary of Administration

DATE: November 20, 2013

SUBJECT: Act 50, Section E.100 Report

Pursuant to Act 50, Section E.100 (c), the General Assembly requested the Secretary of Administration and the Commissioner of Human Resources to “provide a written report to the Joint Fiscal Committee at its November 2013 meeting on the status of positions authorized in this section and existing pool positions that have been assigned to date.” This memorandum will address the status of the 62 positions authorized in Act 50, Section E.100, including permanent classified positions, pool positions and limited service positions.

Section E.100 (a) authorized the creation of thirty-eight (38) permanent classified positions within 8 departments. The following table identifies the Department, Position, Title and Effective Date for each of the 38 permanent classified positions.

Department	Position # and Title	Effective Date/Position Created
Agency of Agriculture, Food & Markets	(1) 280126 – Policy Enforcement Officer	7/28/13
Department for Children and Families	(14) 751145 – 751158 – Benefits Program Specialists	7/1/13
Department for Children and Families	(1) 751159 – Quality Assurance Coordinator	7/28/13
Department for Housing & Community Development	(1) 670170 – Housing Policy Specialist	7/1/13
Department of Health, Hub & Spoke Program	(1) 740867 – Substance Abuse Program Manager	7/1/13
Department of Information and Innovation	(1) 030134 - IT Enterprise Architect	7/1/13
Department of Mental Health	(17) 840288 – 840304 – To Be Determined	
Forest, Parks & Recreation	(1) 650156 – Forester II	7/1/13
Treasurer's Office	(1) 180042 - Investment Analyst	10/14/13

Section E.100 (a) also identified fourteen (14) Pool positions to be allocated to departments based on demonstrated need and fiscal capacity. Of these, one was authorized as exempt. The following table sets forth the Department, Position Number, Title and Effective Date of each of the 14 positions.

Department	Position # and Title	Effective Date/Position Created
Agency of Commerce & Community Development	(1) 670168 – Administrative Services Coordinator II	7/1/13
Agency of Human Services	(3) 720177 – 720179 – Project Manager	7/1/13
Agency of Human Services	(1) 720180 – Enterprise Business Analyst	7/1/13
Agency of Human Services	(1) 720181 – Business Systems Analyst	7/1/13
Department for Children and Families	(1) 751160 – Community Services Specialist	7/28/13
Department for Children and Families	(1) 751161 – Economic Services Supervisor	7/28/13
Department for Children and Families	(1) 751166 – Training & Curriculum Development Coordinator	9/15/13
Department for Children and Families	(1) 751167 – Training & Curriculum Development Chief	9/15/13
Department for Children and Families	(1) 751168 – Training & Curriculum Development Coordinator	10/6/13
Department of Public Safety	(1) 330360 – Public Assistance Coordinator	7/1/13
Forest, Parks & Recreation	(1) 650157 – ANR Lands Surveyor	7/1/13
Public Service Department	(1) 367018 – (<i>exempt</i>) Consumer Affairs Director	7/1/13

Section E.100 (b) specifically authorized the creation of 10 limited service positions in three departments. Nine of the limited service positions are classified limited service positions, and one is an exempt limited service position, as specified in the Act. The following table identifies the Department, Position Number, Title and Effective Date for each of the 10 limited service positions.

Department	Position # and Title	Effective Date/Position Created
Department of Buildings & General Services	(4) 061387 – 061390 – Buildings Project Managers	7/1/13
Department of Environmental Conservation	(1) 660412 - Business Tech Project Manager	7/1/13
Department of Environmental Conservation	(1) 660413 - Systems Developer II	7/1/13
Department of Environmental Conservation	(1) 660414 - Business Process Analyst	7/14/13
Department of Public Safety	(1) 330359 – Grants Management Specialist	7/1/13
Department of Public Safety	(1) 330361 – Public Assistance Coordinator	7/1/13
Department of Public Safety	(1) 337013 – (<i>exempt</i>) Public Assistance Administrator	7/1/13

At this time all positions authorized by Act 50, Section E.100 have been created, except for the 17 Department of Mental Health positions. These 17 positions were authorized for the new state hospital facility and as such will be held until needed. The majority of the newly authorized positions are filled at this time, and those not yet filled are under recruitment.



State of Vermont
Department of Public Service
112 State Street
Montpelier, VT 05620-2601
TEL: 802-828-2811

FAX: 802-828-2342
TTY VT: 800-734-8390
email: vidps@state.vt.us
<http://publicservice.vermont.gov/>

November 18, 2013

STATE OF VERMONT
LEGISLATIVE JOINT FISCAL COMMITTEE
ONE BALDWIN STREET
MONTPELIER, VT 05633-5701

To: The Legislative Joint Fiscal Committee

Enclosed is the Quarterly Report of costs and expenditures for proceedings of the Federal Energy Regulatory Commission pursuant to 30 V.S.A. § 20(b)(9), covering the period July 1, 2013 through September 30, 2013.

During the above-referenced period, the Public Service Department had costs or expenditures of \$12,766.04 for proceedings at the Federal Energy Regulatory Commission.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Chris Recchia".

Christopher Recchia
Commissioner
Public Service Department

Enclosure



**Public Service Department Expenditures
related to proceedings at the
Federal Energy Regulatory Commission
for the period
July 1, 2013 through September 30, 2013**

General Description of Activity

The Department takes action at FERC to protect the interest of Vermont ratepayers in many different proceedings. We have FERC counsel on contract to monitor general FERC actions and proceedings and to also represent Vermont's interests in particular proceedings. For example, the Department has been active at FERC in ensuring fairness in cost allocations for utility projects and in ensuring Vermont's interests are represented in New England transmission projects. The issues vary from quarter to quarter but it is crucial to Vermont consumers that the Public Service Department intervenes at FERC when necessary to ensure that the costs flowing back to Vermont ratepayers as a result of FERC activity and proceedings are true, accurate, just and reasonable. The expenditures reported below are consistent with prior periods and are in line with expectations.

Expenditures

For FERC related activity affecting Vermont ¹	\$ 12,766.04
Indirect Expenditures	\$ 0.00
Total Expenditures ² for 1 st Qtr FY 2014	\$ 12,766.04

¹In accordance with 30 V.S.A. § 20(b)(9), the Public Service Department provides the following quarterly report for expenditures related to FERC proceedings affecting the State of Vermont utilities for the period July 1, 2013 through September 30, 2013.

§20. Particular proceedings; personnel

(b) Proceedings, including appeals there from, for which additional personnel may be retained are:

(9) Proceedings in the Federal Energy Regulatory Commission which involve Vermont utilities or which may affect the interests of the state of Vermont. Costs under this subdivision shall be charged to the involved electric or natural gas companies pursuant to section 21(a) of this title. In cases where the proceeding is generic in nature the costs shall be allocated to electric or natural gas companies in proportion to the benefits sought for the customers of such companies from such advocacy. The public service board and the department of public service shall report quarterly to the joint fiscal committee all costs incurred and expenditures charged under the authority of this subsection, and the purpose for which such costs were incurred and expenditures made;

² Expenditures include amounts actually paid for the quarter July 1, 2013 through September 30, 2013.



State of Vermont

Department of Vermont Health Access

312 Hurricane Lane Suite 201

Williston, VT 05495-2087

www.dvha.vermont.gov

[phone] 802-879-5900

[Fax] 802-879-5651

Agency of Human Services

MEMORANDUM

TO: Joint Fiscal Committee; Health Access Oversight Committee

CC: Mark Larson, Commissioner, Department of Vermont Health Access
Douglas A. Racine, Secretary, Agency of Human Services

FROM: Nancy Hogue, Pharm.D., Director of Pharmacy Services

DATE: November 20, 2013

RE: Legislative report: 33 V.S.A. §1998(c)(6) for Quarter 1 of State Fiscal Year 2014 (July 1, 2013, through Sep 30, 2013)

33 VSA § 1998. Pharmacy best practices and cost control program established

(c)(1) The director may implement the pharmacy best practices and cost control program for any other health benefit plan within or outside this state that agrees to participate in the program. For entities in Vermont, the director shall directly or by contract implement the program through a joint pharmaceuticals purchasing consortium.

(c)(6) The director, the commissioners, and the secretary shall report quarterly to the health access oversight committee and the joint fiscal committee on their progress in securing Vermont's participation in such joint purchasing agreements.

* * * *

Please accept this memo in response to the legislative requirement under 33 V.S.A. §1998(c)(6) to report on the establishment of a state drug purchasing consortium.

As reported for the previous four quarters in State Fiscal Year 2013, the Department of Vermont Health Access (DVHA) has identified and met with other state departments who may have interest in participating in a drug purchasing consortium. Discussions with the Department of Corrections (DOC), the Department of Mental Health (DMH) and the Department of Human Resources (DHR) has confirmed that the current drug purchasing arrangements provides each agency the best price available.

DVHA participates in the Federal Omnibus Budget Reconciliation (OBRA) drug rebate program and negotiates additional state supplemental rebates that cannot be shared with other state programs.

These are unique purchasing arrangements with advantages to one population that are not available to the other populations. This negates the value of establishing a consortium for the purpose of leveraging price.

Please contact me with any questions regarding this report summary.



State of Vermont

Department of Vermont Health Access

312 Hurricane Lane Suite 201

Williston, VT 05495-2087

www.dvha.vermont.gov

[phone] 802-879-5900

[Fax] 802-879-5651

Agency of Human Services

MEMORANDUM

TO: Joint Fiscal Committee; Health Access Oversight Committee

CC: Mark Larson, Commissioner, Department of Vermont Health Access
Douglas A. Racine, Secretary, Agency of Human Services

FROM: Nancy Hogue, Pharm.D., Director of Pharmacy Services

DATE: November 20, 2013

RE: Act 50, Sec. E.307.5 (a) Notifications to Pharmacy Program Beneficiaries

Sec. E.307.5 NOTIFICATIONS TO PHARMACY PROGRAM BENEFICIARIES

(a) The Department shall ensure that at least once a year a notification is included in a written correspondence to beneficiaries of pharmacy programs to inform the beneficiary that it may be advisable to consult with local community service organizations or state program eligibility officials to review the financial advisability of continuing enrollment in the program. The Department shall submit the notification for review to the Health Care Oversight Committee and the Joint Fiscal Committee not later than November 1, 2013.

* * * *

Please accept this memo in response to the requirement under Act 50, Sec. E.307.5 (a) of the 2013 Legislative Session requesting draft notification language to advise pharmacy program beneficiaries that it may be advisable for them to consult with a local community service organization on the financial advisability of their continued program enrollment.

Please find attached the draft language which DHVA anticipates including in its annual member newsletter to notify pharmacy program beneficiaries.

Please contact me with any questions regarding this draft notification language.

Draft Language for VPharm Beneficiary Notification

“Sometimes a Medicare Part D Plan alone is sufficient to coverage your medications. However, if it is not, eligible Vermonters may enroll in VPharm, which helps covers many of the pharmacy costs not covered by Medicare Part D plans (such as copayments, coinsurance and deductibles).

Whether or not to purchase a VPharm plan depends on your monthly prescription drug costs after your Medicare Part D Plan has paid its portion of your claims. For some, purchasing a VPharm plan may not be the most economical choice. If you do not use many prescriptions drugs, it may cost you less to pay out of pocket for Medicare Part D copayments, coinsurance and deductibles than it would to purchase a VPharm plan.

For others, the costs not paid by Medicare Part D can be crippling, and a VPharm plan is a very good investment. In fact, VPharm beneficiaries are expected to receive approximately \$9.2 million in benefits during State Fiscal Year 2014, after paying around \$3.2 million in premiums.

It is important to remember that your health may change at any time. If you get sick or begin needing expensive medications, purchasing a VPharm plan may be a very good investment for you.

Please contact the Vermont Office of Health Care Ombudsman at 1-800-917-7787 or the nearest Area Agency on Aging by calling the Senior HelpLine number 1-800-642-5119 to discuss whether buying VPharm pharmacy insurance is the most economical choice for you. The Office of Health Care Ombudsman and the Area Agency on Aging Senior HelpLine provides help to Vermonters about health care and health insurance.”



Vermont Employment Growth Incentive Program

**Annual Report
2013**

VERMONT ECONOMIC PROGRESS COUNCIL

VERMONT DEPARTMENT OF TAXES

VEGI Program Summary

ACTUAL ECONOMIC IMPACT TO DATE

(January 1, 2007 - December 31, 2011)

New Qualifying Jobs Created	2232
Total New Jobs (Direct & Indirect)	4787
New Qualifying Payroll Created	\$ 124,882,851
New Qualifying Capital Investments	\$ 232,924,173
Incentives Paid	\$ 3,787,093
Estimated Net Revenue Benefit	\$ 17,476,000

APPLICATION VOLUME

(January 1, 2007—December 31, 2012)

	<u># of Applications</u>	<u>Incentive Value</u>
Applications Considered	71	\$ 55,602,564
Applications Denied	5	\$ 2,198,190
Applications Rescinded/Terminated.....	29	\$ 19,694,556
Net Approved-Active Applications	37	\$ 33,709,818

Table of Contents

VEGI PROGRAM SUMMARY	2
TABLE OF CONTENTS	3
I. INTRODUCTION.....	4
II. APPLICATION ACTIVITY.....	5
Table 1: Incentive Applications Considered	8
Table 2: Incentive Authorization Data Summary	10
III. ACTUAL ECONOMIC ACTIVITY	11
Table 3: Projected and Actual Activity Summary	13
Table 4: Projected and Actual Activity - By Class.....	14
IV. SUPPLEMENTAL DATA: ACTIVE APPLICATIONS	17
Charts 1 & 2: Projected Jobs—Wage Levels and Job Types	19
Charts 3 & 4: Health Care Percent Paid by Employer and Size of Business	20
Charts 5 & 6: Type of Economic Development Project and Type of Facility Expansion.....	21
Charts 7 & 8: Population and Personal Income by County	22
Charts 9, 10 & 11: Regional Distribution of Incentives and Jobs.....	23
V. PERFORMANCE MEASURES.....	24
VI. ENDNOTES	25

Introduction

In January 2007, the Vermont Employment Growth Incentive (VEGI) program began offering new incentives for business recruitment, growth and expansion in Vermont. The VEGI program provides a cash incentive that is paid from the incremental tax revenues generated by the new jobs created and investments made by an authorized business, only after the incremental jobs are created and investments are made. To be authorized, a company must apply to the Vermont Economic Progress Council (VEPC), a citizen board that determines:

- Whether the economic activity would not occur or would occur in a significantly different and/or less desirable manner without the incentive (But For);
- Whether the economic activity will generate more incremental tax revenue for the state than is foregone through the incentive (cost-benefit modeling); and
- Whether the company and economic activity are consistent with a set of nine program guidelines.

VEGI incentives are earned over a period of up to five years and paid out over a period of up to nine years. The incentives are earned only if payroll, employment, and capital investment performance requirements are met by the company each year. If the company earns the incentive by meeting performance requirements in a particular year, the incentive

is then paid out in five annual installments, if the new jobs and payroll are maintained. Once authorized by VEPC, claims for VEGI incentive installments are examined annually by the Vermont Department of Taxes.

In early 2012, *Good Jobs First*, a national policy resource center for grassroots groups and public officials that promotes corporate and government accountability in economic development, rated Vermont's VEGI program as the best in the United States for enforcement, safeguarding the taxpayer, and ensuring good job creation.

This 2013 annual report on the VEGI program presents information on all applications considered by VEPC, the economic activity projected by the active applications from the start of the program on January 1, 2007 through December 31, 2012, and the actual economic activity that has occurred from January 2007 through December 31, 2011, as reported on claims filed and examined by the Tax Department.

Further information on VEPC and the VEGI program is available at: accd.vermont.gov/business/start/vegi. Further information on the Department of Taxes is available at: www.state.vt.us/tax.

Vermont Statute 32 VSA §5930(b)(e) requires the following elements of the program to be reported annually. The table in which each requirement is addressed is noted below:

- | | |
|--|--|
| 1. Total authorized amount of incentives during preceding year (Table 2) | 8. Number of applications for incentives (Table 2) |
| 2. Amounts actually earned and paid out from inception to date of report (Tables 3 and 4) | 9. Number of approved applicants who complied with ALL their requirements for the incentive (Not Included ¹) |
| 3. Date and amount of authorization (Table 1) | 10. Aggregate number of jobs created (Tables 3 and 4) |
| 4. Expected calendar year or years in which the authorization will be exercised (Table 1) | 11. Aggregate payroll (Tables 3 and 4) |
| 5. Whether the authorization is currently available (Table 1) | 12. Date the authorization will expire (Table 1) |
| 6. Amount and date of all incentives exercised (Tables 3 and 4) | 13. Identity of the business whose applications were approved (Table 1) |
| 7. Recipient performance in the year in which the incentives were applied (Tables 3 and 4) | |

Application Activity

Table 1 shows every application that has been considered by the Vermont Economic Progress Council (VEPC) since the January 1, 2007 inception of the Vermont Employment Growth Incentive (VEGI) program. It includes the name of the applicant company, the date the application was considered, the authorization (or earning) period, the status of the authorization as of December 31, 2012, the maximum level of incentives considered, the estimated minimum net revenue benefit to the State of Vermont, the location of the project, the type of economic development project, and any statutory enhancement considered for the application.

The application consideration date listed is the date a Final Application was considered if the company filed both an Initial and Final Application. If a Final Application has not yet been filed, the applicant's status is listed as "Active-Initial." Incentives are not considered authorized until a Final Application has been approved. However, the amount of incentives listed when an application has received Initial Approval is booked against the cap for the calendar year in which the project commences.

An application is "Rescinded" if the company never files a Final Application. An incentive is "terminated" if, after Final Approval, the Council or Department of Taxes takes action to terminate the company's authorization to earn further incentive payments. Authorizations can be terminated for several reasons, including when a project does not occur or when the company fails to file an annual VEGI claim by the statutory filing date. Incentives are listed as "Terminated – Recapture" if the company has earned and/or been paid some of the incentives and something occurs that causes the incentives to be terminated. Recapture of incentives is carried out by the Department of Taxes.

The maximum incentive amount considered is the maximum level of incentives the company could possibly earn if the project occurs. If the project status indicates a rescission or termination, the maximum incentive amount is listed for reference only in this report but the incentive is no longer available to the company.

Table 2 summarizes the application volume, application status, the total incentives considered and authorized, and the annual level of incentives compared to the annual cap for each calendar year. It also shows the direct and indirect fiscal and economic impacts estimated by the VEGI cost-benefit model for all the economic activity projected to be undertaken by the authorized projects between 2007-2016 and the estimated incentive payments from 2008-2020.

VEPC has considered 121 applications (Initial and Final) since the inception of the VEGI program in January 2007, an average of 20 per year. The 71 applications summarized in this report are the Final Applications submitted and considered by each company (unless a Final application has not yet been submitted). Statute allows a company to file an Initial Application followed later by a Final Application. Both are formal applications considered and either approved or denied by VEPC. A company may file a Final Application without filing an Initial Application.

As of December 31, 2012, of the 71 Final Applications authorized, 37 (52%) are active, 29 (41%) have been rescinded/terminated, and 5 (7%) were denied. The rescissions and terminations are due primarily to projects not going forward because of the economic downturn. As the data shows, 21 of the 34 projects authorized to begin in 2007-2009 (62%) have been terminated or rescinded. But only 8 of the 32 projects authorized in 2010-2012 (25%) have been rescinded or terminated. An indication that the economy is improving.

QUICK DATA FACT #1

HOW MUCH NET TAX REVENUE HAS THE VEGI PROGRAM
GENERATED FOR VERMONT TO DATE?

\$ 17,476,000

(Estimated for 2007–2011, After Cost of Incentives Paid)

Application Activity

In 2007, the General Assembly approved an enhancement to the VEGI program for companies that will create jobs in certain environmental technology sectors. Since its passage, 16 applications have been considered for the "Green VEGI" enhancement, 7 of which remain active. These companies plan to employ over 723 Vermonters to design, research, develop, and produce wind turbines, capacitors for electric vehicles, innovative water treatment technologies, recyclable plastic packaging, and environmentally-friendly cleaning products.

QUICK DATA FACT #2

HOW MANY NEW JOBS HAVE VEGI COMPANIES ACTUALLY CREATED TO DATE? (2007-2011)

Direct and Indirect New Jobs:	4,787
New Qualifying Jobs:	2,232

As the summary data in Table 2 show, the net (not including denied and rescinded/terminated) incentives authorized through December 2012 total just over \$33.7 million. These incentives will be earned by 35 companies for 37 projects planned to occur between 2007 and 2016 *only if* payroll, employment and capital investment performance requirements are met. Incentives are not paid out on a pro-rata basis if annual performance requirements are not met.

As Table 2 indicates, the projects approved through December 2012 are projected to create **3,090 new, direct, qualifying jobs** (full-time, permanent, paying over 160% of Vermont minimum wage), over **\$144 million in new qualifying payroll** (above and beyond "background growth" payroll), and over **\$546 million in capital investments** in machinery and equipment and building construction and renovation. The new jobs to be created are projected to have a weighted average wage of \$46,867 and **average total compensation of \$57,541** (including benefits). This economic activity, scheduled to occur between 2007 and 2016, is the basis for the incentives calculated and the incremental revenue projected to be generated.

The incentives will be paid out between 2008 and 2020, only if performance requirements are met and maintained. The dollars to pay these incentives come from the new tax revenue these companies generate to the state when the economic activity summarized in Table 2 occurs. Each company was approved only because a determination was made that the activity would not occur, or would occur in a materially different and less desirable manner, unless the incentive was authorized (But For). Therefore, the tax revenue to pay the incentive to the companies are generated by the authorized companies and are revenues that would never have occurred, except for the incentive being approved.

In addition to the But For criteria, application consideration includes an extensive and detailed modeling of the economic and fiscal (revenue) benefits and costs to the State of Vermont. Net new revenues are generated primarily by payroll withholding taxes. But new revenues are also generated from new personal and corporate income taxes, sales and use taxes on machinery and equipment and building materials, transportation fees, property taxes, and other fees and taxes paid by the company, employees, contractors and their employees, and other companies involved in the project. The model also accounts for economic and fiscal costs to the State such as the costs of new students attending school and other additional state services that will be required.

As Table 2 summarizes, the projects that have been approved will generate estimated new revenues to the State totaling \$81.5 million, and the revenue costs, including the incentive payments will be about \$58.4 million. In addition to the new jobs, payroll and capital investments, the State of Vermont will realize net new tax revenues totaling **\$23 million**. The VEGI program is a net revenue producer for the State of Vermont.

The fiscal estimates included in this report cover only the five-year earning period (revenue benefits, job creation, payroll generation, capital investments) and the nine year incentive payment period (revenue costs, incentive costs) that are included in the cost-benefit model. New revenues will

(Continued on page 7)

Application Activity

(Continued from page 6)

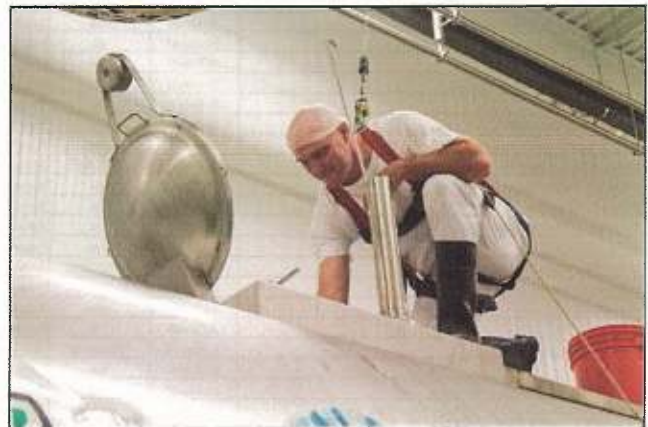
continue to be generated to the State after this modeling period and jobs may continue to be created that are not accounted for in the modeling.

Table 2 also includes summary data on related and indirect economic activity that is projected to occur because of the incentives. The VEGI program is not a job retention program. However, the expansion projects approved will mean that *at least 3,848 existing jobs will be retained*. The projects will also create about 227 non-qualifying full-time jobs (pay below 160% of Vermont minimum wage) and *over 2,800 indirect jobs* throughout the state.

The projects will also generate almost \$32 million in new payroll that is considered "background" or "organic" growth payroll. The calculation of the incentive for *all* applications includes the discounting of a certain level of the new payroll that will be generated. This is considered background growth payroll or payroll that would have occurred anyway. This is done even for applications from new or start-up companies and companies that are being recruited to Vermont, neither of which ever had payroll in Vermont before the application date.

In addition to the But For and cost-benefit criteria for approval, applications are also considered against a set of nine program guidelines. One of the guidelines (Guideline 7) involves the interaction of the applicant with other Vermont companies in customer, supplier, and vendor relationships. The greater these interactions, the more indirect economic impact the incentives will have. Table 2 shows that the expected business-to-business relationships of applicants is estimated at over \$87 million each year.

Also summarized in Table 2 is the median level of employee health care costs that are paid by the employers approved for VEGI incentives, at 76%. Further detail on this and other data related to the Program Guidelines are contained in Charts 1-11.



Scott Geno of Guilford, Dairy Processing Machine Operator at Commonwealth Dairy, Brattleboro

"With the help of the VEGI program, we were able to construct a state-of-the-art class II dairy facility in Brattleboro and hire 30 employees who meet the VEGI wage threshold in our first year alone. We are well positioned to achieve our goal to become the premier private label producer of yogurt and other dairy-based products in the United States."

Thomas Moffitt, CEO, Commonwealth Dairy

Application Activity

TABLE 1: INCENTIVE APPLICATIONS CONSIDERED, AND STATUS, THROUGH DECEMBER 31, 2012

Company Name	Date Application Considered	Authorization (Earning) Period	Status ²	Maximum Incentive Considered	Minimum Net Revenue Benefit	Green, Subsection 5 Lookback Waived ³	Location	Type of Project
Ink Jet Machinery of Vermont	25-Jan-07	n/a	Terminated Jan 24, 2008	\$ 336,055	\$ -	n/a	Dorset	Startup
Olympic Precision, Inc./WIC/Town of Windsor	25-Jan-07	n/a	Terminated Sept 6, 2007	\$ 474,428	\$ -	n/a	Windsor	Recruitment
Monahan SFI, LLC	15-Feb-07	n/a	Term.-Recap. Sept 28, 2009	\$ 791,277	\$ -	n/a	Middlebury	Plant Restart
Qimonda North America Corp.	15-Feb-07	n/a	Rescinded Mar 27, 2008	\$ 229,672	\$ -	n/a	So. Burlington	Ret./Expansion
Rehab Gym, Inc.	22-Mar-07	n/a	Denied	\$ 255,439	\$ -	n/a	Colchester	Ret./Expansion
Applejack Art Partners	3-May-07	n/a	Terminated Oct 25, 2007	\$ 85,539	\$ -	n/a	Manchester	Recruitment
Omni Measurement Systems	3-May-07	n/a	Terminated Mar 25, 2010	\$ 677,944	\$ -	n/a	Milton	Ret./Expansion
Vermont Timber Frames	3-May-07	2007 - 2011	Active-Final	\$ 156,126	\$ 70,611	n/a	Bennington	Recruitment/Exp.
Battenkill Technologies, Inc.	28-Jun-07	n/a	Terminated Jun 26, 2008	\$ 79,054	\$ -	n/a	Manchester	Recruitment
Burton Corporation	28-Jun-07	n/a	Terminated Mar 25, 2010	\$ 1,653,965	\$ -	n/a	Burlington	Ret./Expansion
Energizer Battery Manufacturing, Inc.	26-Jul-07	n/a	Terminated May 28, 2009	\$ 607,347	\$ -	n/a	St Albans	Ret./Expansion
NEHP, Inc.	25-Oct-07	n/a	Terminated Dec 8, 2011	\$ 182,396	\$ -	n/a	Williston	Ret./Expansion
Green Mountain Coffee Roasters, Inc.	25-Oct-07	2007 - 2011	Active-Final	\$ 1,786,828	\$ 2,129,672	n/a	Waterbury/Essex	Ret./Expansion
Know Your Source, LLC	6-Dec-07	n/a	Denied	\$ 71,302	\$ -	n/a	Burlington	Start-up
Mascoma Corporation	25-Oct-07	n/a	Rescinded Jun 26, 2008	\$ 1,942,989	\$ -	Green	WRJ	Recruitment/Exp.
CNC North, Inc.	6-Mar-08	n/a	Terminated Mar 25, 2010	\$ 70,533	\$ -	n/a	Springfield	Ret./Expansion
Vermont College of Fine Arts	27-Mar-08	2008-2012	Active-Final	\$ 206,737	\$ 126,260	n/a	Montpelier	Start-up
Isovolte, Inc.	26-Jun-08	n/a	Terminated May 28, 2009	\$ 568,330	\$ -	n/a	Rutland	Ret./Expansion
Vermont Castings Holding Company	18-Sep-08	n/a	Terminated May 28, 2009	\$ 488,000	\$ -	Green	Bethel	Ret./Expansion
New England Precision, Inc./Clifford Properties, Inc.	18-Sep-08	n/a	Terminated April 28, 2011	\$ 241,236	\$ -	n/a	Randolph	Ret./Expansion
Utility Risk Management Corp	23-Oct-08	2008-2012	Active-Final	\$ 377,371	\$ 185,973	n/a	Stowe	Recruitment
Helix Global Solutions, Inc.	4-Dec-08	n/a	Rescinded Dec 4, 2008	\$ 53,739	\$ -	n/a	Burlington Area	Recruitment/Exp.
Vermont Wood Energy Corp	4-Dec-08	n/a	Denied	\$ 293,967	\$ -	Green	Rutland	Start-up
Tate's Natural Alchemy	4-Dec-08	n/a	Terminated Mar 25, 2010	\$ 231,531	\$ -	n/a	Whiting/Shoreham	Start-up
BioTek Instruments, Inc./Lionheart Technologies, Inc.	4-Dec-08	2009-2013	Active-Final	\$ 692,854	\$ 1,050,543	n/a	Winooski	Ret./Expansion
Dominion Diagnostics, LLC	22-Jan-09	n/a	Terminated April 28, 2011	\$ 103,300	\$ -	n/a	Williston	Recruitment/Exp.
Albany College of Pharmacy	22-Jan-09	2009-2013	Active-Final	\$ 630,859	\$ 345,716	n/a	Colchester	Recruitment/Exp.
ASK-intTag, LLC	26-Mar-09	2009-2013	Active-Final	\$ 553,722	\$ 263,998	n/a	Essex	Recruitment/SU
Vermont Transformers, Inc.	26-Mar-09	n/a	Terminated May 25, 2011	\$ 287,569	\$ -	Green	St. Albans	Recruitment/Exp.
Project Graphics, Inc.	30-Apr-09	n/a	Terminated May 24, 2012	\$ 230,414	\$ -	n/a	So. Burlington	Recruitment
Durasol Awnings, Inc.	28-May-09	n/a	Terminated Mar 25, 2010	\$ 245,795	\$ -	n/a	Middlebury	Ret./Expansion
Commonwealth Yogurt, Inc.	25-Jun-09	2009-2013	Active-Final	\$ 1,201,154	\$ 614,505	n/a	Brattleboro	Start-up/Recruit
AirBoss Defense USA, Inc.	24-Sep-09	2009 - 2013	Active-Final	\$ 243,280	\$ 116,725	n/a	Milton	Recruitment/Exp.
Maple Mountain Woodworks, LLC	17-Dec-09	2009-2013	Active-Final	\$ 143,436	\$ 59,857	n/a	Richford	Start-up
Terry Precision Bicycles for Women, Inc.	17-Dec-09	2009-2013	Active-Final	\$ 126,296	\$ 53,440	n/a	Burlington	Recruitment
Northern Power Systems, Inc.	17-Dec-09	2009-2013	Active-Final	\$ 808,104	\$ 235,796	Green	Barre	Ret./Expansion
Green Mountain Coffee Roasters, Inc.	17-Dec-09	2009-2013	Active-Final	\$ 292,307	\$ 1,736,611	n/a	Chittenden County	Ret./Expansion

Application Activity

TABLE 1 Continued: INCENTIVE APPLICATIONS CONSIDERED, AND STATUS, THROUGH DECEMBER 31, 2012

Company Name	Date Application Considered	Authorization (Earning) Period	Status ²	Maximum Incentive Considered	Minimum Net Revenue Benefit	Green, Subsection 5 Lookback Waived ²	Location	Type of Project
MyWebGrocer, Inc.	22-Oct-09	2010-2014	Active-Final	\$ 453,475	\$ 286,567	n/a	Colchester	Ret./Expansion
SBE, Inc.	17-Dec-09	2010-2014	Active-Final	\$ 3,048,671	\$ 817,673	Green	Barre	Ret./Expansion
Seldon Technologies, Inc.	17-Dec-09	2010-2014	Active-Final	\$ 478,398	\$ 136,972	Green	Windsor	Ret./Expansion
Business Financial Publishing, Inc.	28-Jan-10	n/a	Denied	\$ 182,473	\$ -	n/a	Burlington	Recruitment
New England Supply, Inc.	25-Mar-10	2010-2014	Active-Final	\$ 67,953	\$ 36,088	n/a	Williston	Start-up
The Original Vermont Wood Products, Inc.	27-May-10	n/a	Terminated Dec 8, 2011	\$ 100,604	\$ -	Sub 5	Pittsfield	SU/Plant Restart
Westminster Cracker Company, Inc.	22-Jul-10	2010-2014	Active-Final	\$ 236,246	\$ 96,360	Sub 5	Rutland	Ret./Expansion
Revision Eyewear, Ltd.	28-Oct-10	2010-2014	Active-Final	\$ 552,193	\$ 449,055	n/a	Essex	Ret./Expansion
Organic Trade Association	28-Oct-10	n/a	Terminated May 24, 2012	\$ 75,569	\$ -	n/a	Brattleboro	Recruitment
Dealer.com, Inc.	16-Dec-10	2010-2014	Active-Final	\$ 4,929,487	\$ 2,644,946	n/a	Burlington	Ret./Expansion
Pinnacle Sales Accelerators, LLC	16-Dec-10	2010-2014	Active-Final	\$ 111,635	\$ 53,490	n/a	Burlington	Start-up/Recruit
Swan Valley Cheese Company of Vermont	16-Dec-10	2010-2014	Active-Final	\$ 305,830	\$ -	Sub 5	Swanton	SU/Plant Restart
Alpla, Inc.	16-Dec-10	2011-2015	Active-Final	\$ 654,438	\$ 181,570	Green	Essex	Recruitment/Exp.
Bartelrix Nutrition Corp	27-Jan-11	2011-2015	Active-Final	\$ 135,653	\$ 92,251	n/a	Georgia	Ret./Expansion
eCorporate English, Ltd.	25-May-11	n/a	Terminated Sept 27, 2012	\$ 464,731	\$ 242,600	n/a	Middlebury	Recruitment/Exp.
WCW, Inc.	27-Oct-11	2011-2015	Active-Final	\$ 512,449	\$ 202,024	n/a	Manchester	recruitment
VSC Holdings, Inc.	27-Oct-11	2011-2015	Active-Final	\$ 156,913	\$ 86,727	n/a	Hinesburg	Ret./Expansion
Carbon Harvest Energy, LLC/Brattleboro Carbon Harvest, LLC	8-Dec-11	n/a	Terminated Dec 13, 2012	\$ 568,913	\$ 141,097	Green	Buri/Brattleboro	Ret./Expansion
Concepts ETI, Inc.	8-Dec-11	2011-2015	Active-Final	\$ 290,335	\$ 117,880	Green/LBW	Wilder	Ret./Expansion
BOH Wind Engineering, LLC	8-Dec-11	2011-2015	Active-Final	\$ 153,995	\$ 41,793	Green	Williston	Start-up/Recruit
Green Mountain Coffee Roasters, Inc.	8-Dec-11	2011-2015	Active-Final	\$ 4,696,809	\$ 6,297,553	n/a	Essex	Ret./Expansion
Ellison Surface Technologies, Inc.	8-Dec-11	2011-2015	Active-Final	\$ 688,462	\$ 289,406	Sub 5	Rutland	Ret./Expansion
Skypoint Solar	8-Dec-11	n/a	Rescinded Dec 8, 2011	\$ 7,900,114	\$ -	Green	Burlington	Start-up/Recruit
Transcend Quality Manufacturing, Inc.	8-Dec-11	n/a	Rescinded Dec 13, 2012	\$ 246,941	\$ -	Sub 5/Green	TBD	Start-up/recruitment
Plasan Carbon Composites, Inc.	8-Dec-11	n/a	Rescinded Aug 30, 2012	\$ 516,395	\$ -	Green	Bennington	Ret./Expansion
Mylan Technologies, Inc.	13-Dec-12	2012-2016	Active-Final	\$ 5,733,506	\$ 2,786,740	n/a	St. Albans	Ret./Expansion
Vermont Hard Cider Company, LLC	26-Jan-12	n/a	Rescinded Dec 13, 2012	\$ 260,176	\$ -	n/a	Middlebury	Ret./Expansion
Commonwealth Dairy, LLC II	25-May-12	2012-2016	Active-Final	\$ 303,094	\$ 277,714	n/a	Brattleboro	Ret./Expansion
Dynapower	13-Dec-12	n/a	Denied	\$ 1,415,009	\$ -	Green	So. Burlington	Ret./Expansion
Revision Ballistics	13-Dec-12	2012-2016	Active-Final	\$ 734,081	\$ -	Sub 5	Newport	Start-up/Ret.
Seventh Generation	13-Dec-12	2012-2016	Active-Final	\$ 454,728	\$ 233,150	Green	Burlington	Ret./Expansion
Performa Limited, LLC	25-Oct-12	2012-2016	Active-Final	\$ 133,618	\$ 62,088	n/a	Burlington	Ret./Expansion
AFCell Medical	24-Mar-11	2013-2017	Active-Initial	\$ 1,338,444	\$ 640,057	n/a	TBD	Start-up/Recruit
Freedom Foods	13-Dec-12	2013-2017	Active-Initial	\$ 320,423	\$ 151,703.00	Ed Tax Stabil	Randolph	Ret./Expansion

Application Activity

TABLE 2: INCENTIVE AUTHORIZATION DATA SUMMARY FOR APPLICATIONS CONSIDERED THROUGH DECEMBER 31, 2012 TOTAL PROJECTED ECONOMIC ACTIVITY, 2007 - 2016 : TOTAL PROJECTED INCENTIVE PAYMENTS, 2008 - 2020					
Application Count	Total Considered	Approved - Active ⁴	Rescinded/ Terminated ⁵	Denied	
Total Applications Considered:	71	37	29	5	
Percent of Total Applications	N/A	52%	41%	7%	
Regular VEGI Applications:	55	30	22	3	
*Green VEGI Applications ⁶ :	16	7	7	2	
Subsection 5 Applications:	6	4	2	0	
Authorization Summary:		Direct Estimated Economic Impact:			
Total Incentives Considered To Date:	\$ 55,802,584	New Qualifying FT Jobs Projected:		3,090	
Total Incentives Denied To Date:	\$ 2,198,190	New Qualifying FT Payroll Projected:		\$ 144,621,628	
Total Incentives Rescinded/Revoked to Date:	\$ 19,694,556	Weighted Average Wage of New Qualifying Jobs:		\$ 46,867	
Net Incentives Authorized to Date:	\$ 33,709,818	Average Total Compensation for New Qualifying Jobs:		\$ 57,541	
		New Qualified Capital Investment Projected:		\$ 546,615,638	
Authorizations, by Year/Cap Balances⁷:		Related Estimated Economic Activity:			
2007 Authorizations:	\$ 1,942,954	Retained Full-time Jobs ⁸ :		3,848	
2007 Cap Balance:	\$ 8,057,046	Full-time Non-Qualifying Job Creation ⁹ :		227	
2008 Authorizations:	\$ 584,108	Indirect Job Creation ¹⁰ :		2,828	
2008 Cap Balance:	\$ 9,415,892	Total Full-time Job Creation:		6,145	
2009 Authorizations:	\$ 4,692,012	New Payroll Considered Background Growth ¹¹ :		\$ 31,965,392	
2009 Cap Balance:	\$ 5,307,988	Average Health Care Premium Paid by Employer ¹² :		78%	
2010 Authorizations:	\$ 10,183,886	Approximate Value of VT Biz-to-Biz Interactions ¹³ :		\$ 87,834,915	
2010 Cap Balance:	\$ 12,816,114	Direct Estimated Fiscal Impact¹⁴:			
2011 Authorizations:	\$ 7,289,054	Total Revenue Benefits to the State:		\$ 81,489,269	
2011 Cap Balance:	\$ 10,710,946	Total Revenue Costs to the State, Including Incentives:		\$ 58,488,770	
2012 Authorizations:	\$ 7,358,937	Net Fiscal Return to the State:		\$ 22,980,499	
2012 Cap Balance:	\$ 4,641,063	Incentive Enhancements:			
Annual SubSection 5 Cap:		Increase in Incentives Due to Enhancements:			
2007 - 2009 Cap Per Year	\$ 1,000,000	Green VEGI		\$ 1,270,214	
2007 - 2009 SubSection 5 Utilization	\$ -	Subsection 5		\$ 769,093	
2007 - 2009 Cap Balance Per Year	\$ 1,000,000	Total		\$ 2,039,307	
2010 Cap	\$ 1,000,000	Decrease in Net Revenue Return Due to Enhancements:			
2010 SubSection 5 Utilization	\$ 198,805	Green VEGI		\$ 1,120,103	
2010 Cap Balance	\$ 801,195	Subsection 5		\$ 691,633	
2011 Cap	\$ 1,000,000	Total		\$ 1,811,736	
2011 SubSection 5 Utilization	\$ 322,655				
2011 Cap Balance	\$ 677,345				
2012 Cap	\$ 1,000,000				
2012 SubSection 5 Utilization	\$ 247,633				
2012 Cap Balance	\$ 752,367				

Actual Economic Activity

Table 3 summarizes, by calendar year, the number of claims expected and filed, the projected *and actual* qualifying job creation, qualifying payroll generation, capital investments made, incentive payments made, and the actual net revenue benefit for the State for activity that has actually occurred between January 1, 2007 and December 31, 2011.

Table 4 details the same information by “class” or “cohort.” This data breaks down the projected and actual activity and incentives earned for each group of companies by their earning period. The earning period is the five-year period during which the economic activity is projected to occur and incentives earned. For example, all companies whose projects occur from 2007–2011 are in the Class of 2007.

VEGI claims must be filed each year for the economic activity that occurred during the previous calendar year. For example, claims for activity in 2011 were filed in 2012 and examined by the Tax Department during 2012 and incentive payments, if earned, were paid in late 2012. Therefore, there is a one year delay before the claim and actual activity data is available. This is why this report includes application data through December 2012, but actual earning and economic activity for 2007–2011.

The following details the number of claims filed for each year and the number approved, delayed or terminated:

	Filed	Approved	Delayed	Terminated
2007	7	4 (57%)	3 (43%)	0
2008	10	4 (40%)	6 (60%)	4
2009	18	12 (66%)	6 (44%)	4
2010	23	16 (70%)	7 (30%)	5
2011	28	16 (57%)	12 (43%)	6

Only the companies that met performance requirements were paid the incentives indicated in **Tables 3 and 4**. The projected and actual data included in **Table 4** and summarized in **Table 3** are for the companies

that both met and did not meet targets. Data for companies are not included once their incentives are rescinded or terminated in subsequent years. Data for companies that did not meet performance requirements are included because a company is not removed from the program if they do not meet their requirements by the due date (December 31 of each year). These companies created jobs, generated payroll, and made capital investments, but not to the extent that met the performance measures. No incentive is paid to such a company until and unless the requirements are met. This economic activity, however, must be counted and is included in the calculation of the actual net revenue benefit to the State. If a company does not meet performance requirements after 24 months, no incentive for that year is earned and any future incentives are terminated.

Table 4 is a breakdown of the data summarized in **Table 3** for each class. Note that detailed information is not shown in the class breakdown if the data is for three or less companies in order to protect the confidentiality of taxpayer information in accordance with statute and Tax Department policy.

QUICK DATA FACT #3

HOW MUCH HAVE VEGI COMPANIES INVESTED IN VERMONT TO DATE? (2007 – 2011)

New Qualifying Payroll:	\$124.8 Million
New Qualifying Capital Investments:	\$232.9 Million

Actual Economic Activity

The projected net revenue benefit to the State of Vermont from economic activity and incentive payments expected to be made through December 2011 was estimated at \$12.3 million. The economic activity that has actually occurred, and the incentives installments actually paid were re-modeled using the same cost-benefit model used for the application approval process. The model estimates a **net revenue benefit to the State of \$17,476,000** for the activity that has actually occurred between 2007-2011.

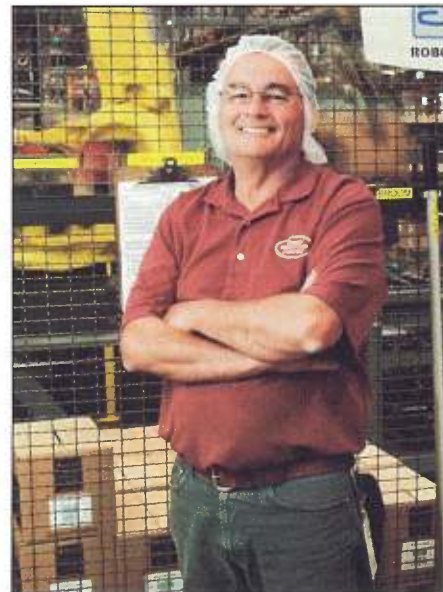
This means that the State has made \$7,830 in new tax revenue for each new qualifying job created by the VEGI program.

It should be noted that once a company is rescinded or terminated their economic activity is no longer included in the modeling of the revenue impact, but those companies may have contributed jobs and investments during this period. For example, a company was authorized for incentives to move from another state to Vermont and create more jobs. The move occurred, jobs were created, but not at a level that met performance requirements to earn the incentive. Therefore, economic activity occurred and new tax revenues were generated to the State, but no incentives were ever paid.

QUICK DATA FACT #4

WHAT IS THE PROJECTED AND ACTUAL AVERAGE WAGE OF THE JOBS CREATED BY VEGI COMPANIES THROUGH 2011?

Projected Average Wage:	\$46,867
Actual Average Wage:	\$49,394



Ray Cyr, a Machine Operator Trainer within the Specialty Coffee business unit of Green Mountain Coffee Roasters, Inc. Ray is a resident of Barre, VT.

"The VEGI incentive program has encouraged Green Mountain Coffee Roasters, Inc. (GMCR) to invest in Vermont...VEGI has made it possible for GMCR to create over 500 new full-time, permanent jobs in Vermont and has facilitated capital investment exceeding \$16.25 million. We continue to work with VEPC as we grow and drive what we expect will be additional full-time jobs as well as additional capital investment in the state."

Suzanne M. DuLong,
VP IR & Corporate Communications, GMCR

TABLE 3: PROJECTED AND ACTUAL ACTIVITY - SUMMARY

Claim Activity:	2007	2008	2009	2010	2011
Claims Expected:	7	14	22	29	34
Completed Claims Filed:	7	10	18	23	28
Incomplete Claims:	0	0	0	1	6
Claims Approved:	4	4	12	16	16
Claims Delayed:	3	6	6	7	12
Removed from Program:	0	4	4	5	6
Net Claims Included in Projected and Actual Data:	7	10	18	23	28

Projected Activity:	2007	2008	2009	2010	2011	TOTALS
New Qualifying Employees:	111	226	154	379	558	1428
New Qualifying Payroll:	\$ 3,704,788	\$ 7,508,677	\$ 8,280,856	\$ 19,958,441	\$ 25,666,420	\$ 65,119,182
New Qualifying Capital Investments:	\$ 14,217,077	\$ 11,886,270	\$ 21,741,906	\$ 39,537,667	\$ 93,813,730	\$ 181,196,650
Est. Incentive Installments to be Paid:	\$ 50,283	\$ 247,411	\$ 551,616	\$ 1,200,349	\$ 2,055,255	\$ 4,104,914
Net Revenue Benefit:	\$ 240,647	\$ 830,233	\$ 1,738,557	\$ 3,641,970	\$ 5,833,368	\$ 12,284,775

Actual Activity:	2007	2008	2009	2010	2011	TOTALS
New Qualifying Employees:	262	255	265	606	844	2232
New Qualifying Payroll:	\$ 10,621,976	\$ 9,214,052	\$ 16,137,468	\$ 34,555,726	\$ 54,293,629	\$ 124,822,851
New Qualifying Capital Investments:	\$ 22,546,350	\$ 13,388,586	\$ 28,100,875	\$ 47,475,449	\$ 121,412,913	\$ 232,924,173
Incentives Paid to Companies:	\$ 208,653	\$ 544,110	\$ 654,370	\$ 1,165,705	\$ 1,214,255	\$ 3,787,093
Net Revenue Benefit:	\$ 1,140,500	\$ 1,571,400	\$ 2,203,300	\$ 4,360,200	\$ 8,200,700	\$ 17,476,100

Actual Economic Activity

TABLE 4: PROJECTED AND ACTUAL ACTIVITY - BY CLASS

YEAR:	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
CLASS OF 2007: (Incentives earned between 2007 and 2011 and paid out between 2008 and 2016)														
YEAR:	1	2	3	4	5	6	7	8	9	10				
Claim Activity:														
Claims Expected:	7	7	6	3	2									
Completed Claims Filed:	7	6	3	2	2									
Incomplete Claims:	0	0	0	0	0									
Claims Approved:	4	2	1	1	1									
Claims Delayed:	3	4	2	1	1									
Removed from Program:	0	1	3	1	0									
Net Included in Projected and Actual Data:	7	6	3*	2*	2*									
Projected Activity:														
New Qualifying Employees:	111	193												
New Qualifying Payroll:	\$ 3,704,788	\$ 5,622,840												
New Qualifying Capital Investments:	\$ 14,217,077	\$ 5,622,840												
Est. Incentive Installments to be Paid:	\$ 50,283	\$ 221,123												
Actual Activity:														
New Qualifying Employees:	292	214												
New Qualifying Payroll:	\$ 10,621,976	\$ 7,202,637												
New Qualifying Capital Investments:	\$ 22,546,350	\$ 12,445,210												
Incentives Paid to Companies:	\$ 208,653	\$ 510,621												
* Note: Per statute and Tax Department policy, detailed data is not included when there are three or less companies in order to protect the confidentiality of taxpayer information. However, data is rolled into the Table 3 Summary.														
CLASS OF 2008: (Incentives earned between 2008 and 2012 and paid out between 2009 and 2017)														
YEAR:	1	2	3	4	5	6	7	8	9	10				
Claim Activity:														
Claims Expected:	7	4	3	2										
Completed Claims Filed:	4	3	2	2										
Incomplete Claims:	0	0	0	0										
Claims Approved:	2	2	2	2										
Claims Delayed:	2	1	0	0										
Removed from Program:	3	1	1	0										
Net Included in Projected and Actual Data:	4	3*	2*	2*										
Projected Activity:														
New Qualifying Employees:		33												
New Qualifying Payroll:	\$ 1,885,837													
New Qualifying Capital Investments:	\$ 100,000													
Est. Incentive Installments to be Paid:	\$ 26,287													
Actual Activity:														
New Qualifying Employees:		41												
New Qualifying Payroll:	\$ 2,011,416													
New Qualifying Capital Investments:	\$ 943,376													
Incentives Paid to Companies:	\$ 33,489													
* Note: Per statute and Tax Department policy, detailed data is not included when there are three or less companies in order to protect the confidentiality of taxpayer information. However, data is rolled into the Table 3 Summary.														

Actual Economic Activity

TABLE 4: PROJECTED AND ACTUAL ACTIVITY - BY CLASS

YEAR:	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
CLASS OF 2009: (incentives earned between 2009 and 2013 and paid out between 2010 and 2018)														
YEAR:			1	2	3	4	5	6	7	8	9	10		
Claim Activity:														
Claims Expected:			12	12	10									
Completed Claims Filed:			12	9	8									
Incomplete Claims:			0	1	2									
Claims Approved:			9	6	4									
Claims Delayed:			3	3	4									
Removed from Program:			0	2	2									
Net Included in Projected and Actual Data:			12	9	8									
Projected Activity:														
New Qualifying Employees:			115	155	111									
New Qualifying Payroll:			\$ 6,784,600	\$ 8,042,908	\$ 6,175,183									
New Qualifying Capital Investments:			\$ 14,789,906	\$ 15,927,825	\$ 3,666,050									
Est. Incentive Installments to be Paid:			\$ 71,760	\$ 409,340	\$ 647,216									
Actual Activity:														
New Qualifying Employees:			128	140	169									
New Qualifying Payroll:			\$ 8,641,559	\$ 9,345,823	\$ 16,590,866									
New Qualifying Capital Investments:			\$ 15,421,347	\$ 25,657,656	\$ 31,203,738									
Incentives Paid to Companies:			\$ 190,239	\$ 399,055	\$ 172,925									
CLASS OF 2010: (incentives earned between 2010 and 2014 and paid out between 2011 and 2019)														
YEAR:				1	2	3	4	5	6	7	8	9	10	
Claim Activity:														
Claims Expected:				11	10									
Completed Claims Filed:				10	8									
Incomplete Claims:				0	2									
Claims Approved:				7	3									
Claims Delayed:				3	5									
Removed from Program:				1	2									
Net Included in Projected and Actual Data:				10	8									
Projected Activity:														
New Qualifying Employees:				184	229									
New Qualifying Payroll:				\$ 10,762,341	\$ 11,688,545									
New Qualifying Capital Investments:				\$ 19,879,842	\$ 13,312,680									
Est. Incentive Installments to be Paid:				\$ 291,177	\$ 849,412									
Actual Activity:														
New Qualifying Employees:				231	306									
New Qualifying Payroll:				\$ 12,967,531	\$ 17,226,766									
New Qualifying Capital Investments:				\$ 21,191,253	\$ 17,389,398									
Incentives Paid to Companies:				\$ 293,793	\$ 746,140									

Actual Economic Activity

TABLE 4: PROJECTED AND ACTUAL ACTIVITY - BY CLASS														
YEAR:	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
CLASS OF 2011: (Incentives earned between 2011 and 2015 and paid out between 2012 and 2020)														
YEAR:					1	2	3	4	5	6	7	8	9	10
Claim Activity:														
Claims Expected:					10									
Completed Claims Filled:					8									
Incomplete Claims:					2									
Claims Approved:					6									
Claims Delayed:					2									
Removed from Program:					2									
Net Included in Projected and Actual Data:					8									
Projected Activity:														
New Qualifying Employees:					181									
New Qualifying Payroll:					\$ 6,833,500									
New Qualifying Capital Investments:					\$ 75,750,000									
Est. Incentive Installments to be Paid:					\$ 53,751									
Actual Activity:														
New Qualifying Employees:					337									
New Qualifying Payroll:					\$ 18,770,191									
New Qualifying Capital Investments:					\$ 71,090,833									
Incentives Paid to Companies:					\$ 54,657									

NATIONAL ACCOLADES FOR VEGI PROGRAM

GOOD JOBS FIRST

Independent studies: "Money For Something" and "Money-Back Guarantees for Taxpayers," ranked the VEGI program #1 in US for enforcement, safeguards and job creation and job quality standards.

Supplemental Data: Active Applications

Charts 1 through 11 illustrate several interesting data points about the 37 active projects in the program. Note that the data presented in charts 1-6 and 9-11 is generated *only* by the 37 approved-active applications (not all applications ever considered) and are based on the application projections.

Charts 1 - 3 cover issues related to the program guidelines. Charts 4 - 6 show data that counters some assumptions that are often made about the program applicants and the projects that are approved. Charts 7 - 11 are related to regional distribution of incentives and jobs.

Chart 1 shows the wage ranges of the projected 3,090 new, qualifying jobs to be created, in \$10,000 increments. This data relates to Guideline 2, regarding wages and benefits. While the largest segment of jobs, at 37% of total, are in the \$25,000 - \$29,000 range, the chart shows that almost half of the jobs will pay above \$40,000 per year. Additionally, the companies project creating only 227 jobs that will pay wages at or below the VEGI Wage Threshold (160% of Vermont minimum wage; these jobs cannot be used to calculate the VEGI incentive). This data shows that the applicants to this program are creating very well-paying jobs, the majority of which far exceed the VEGI Wage Threshold. None of the applicants projected the creation of jobs at or even near the Vermont minimum wage.

Chart 2 shows the breakdown of jobs projected to be created by various job categories. Predictably, the largest category of jobs is production, at 52% of the total. Other jobs are about equally divided between management, IT, R&D, engineering, and administration/support.

Chart 3 illustrates one aspect of the fringe benefits that are and/or will be offered by the applicant companies (related to Guideline 2). The average of the benefits ratios (benefits as percentage of total compensation) for applicants is 23%. This means that the weighted average wage paid, \$46,867, is supplemented by an average benefits package valued at \$10,673 for a total compensation of \$57,541. All approved applicant com-

panies in the VEGI program pay some portion of employee health care costs. Only one company offers less than 40% coverage by the employer. All other companies offer 50% or more coverage. The majority of the companies (81%) cover 61% or more of health care costs for their employees.

Chart 4 shows the size of the company, by number of full-time employees, at the time of application. As the chart illustrates, the majority of the applicant companies are small- to medium-size companies, by Vermont standards. In fact, 29 (79%) of the companies had under 100 employees at the time of application, with 20 (or 54%) of those companies actually having under 20 employees. Only three applicants had 500 or more employees at the time of application. Fifty-nine percent of the applicants are Vermont-based/owned companies. These are companies that were started by, and are owned by Vermonters and their families.

Chart 5 illustrates the types of economic development projects applying for incentives. It shows 33% of companies are recruitment types that are starting, expanding into or relocating to Vermont. Of these recruitments, 5 were start-ups, 4 were expansions and 3 were relocations. Fifty-four percent of all projects were retention/expansion of existing Vermont companies or divisions. Another 8% were start-ups by Vermont entrepreneurs and 5% were re-starts of previously closed companies. This data, when viewed together with Chart 4, indicates that the VEGI program is now providing almost equal incentive percentages to the retention and expansion of small, Vermont companies as to the recruitment of small and medium-size companies to Vermont.

QUICK DATA FACT #5

HOW MUCH HAS ACTUALLY BEEN PAID BACK TO COMPANIES
IN VEGI INCENTIVES TO DATE (2007-2011)?

\$3,787,093

Supplemental Data: Active Applications

Chart 6 summarizes the type of facility expansions occurring because of the incentives. As the data shows, the program has been very successful in providing incentives for the acquisition and/or reuse of existing buildings in Vermont that are un- or under-utilized. This type of project represents 59% of the active projects. Another 11% did not involve any facility expansion and 19% will expand the facility they currently occupy. A total of 89% of the projects will *not* involve building new facilities. Most will involve substantial investment in renovations to facilities, having a very positive impact on local construction companies. Four companies (11%) proposed projects that will involve new construction, but all of them will occur within existing industrial or commercial parks or within sites zoned for that purpose.

Charts 7 and 8 show the distribution of population and personal income tax by county in Vermont. These charts are included to provide some perspective to the data shown in Charts 9 -11, which show the regional distribution of the incentives by the number of active-approved applications per region (Chart 9) and by incentive dollars per region (Chart 10). There are active projects in every region of the state except Addison County. The largest number of applications are from Chittenden County, which is expected as this is the economic engine of the state, the current location of most applicants, and the desired location for most companies recruited to Vermont. VEPC staff makes every effort to educate all regional economic development practitioners about the VEGI program. VEPC staff visits all regions regularly and VEGI informational seminars were conducted in every region at the start of the program. Additionally, in accordance with Program Guideline 1, applications from outside Chittenden County can be authorized for additional incentives. However, the Council and staff have no control over where existing Vermont companies (who represent the largest pool of applicants) are located, where new companies want to locate, or from which regions applications are submitted. Additionally, regional boundaries are meaning-

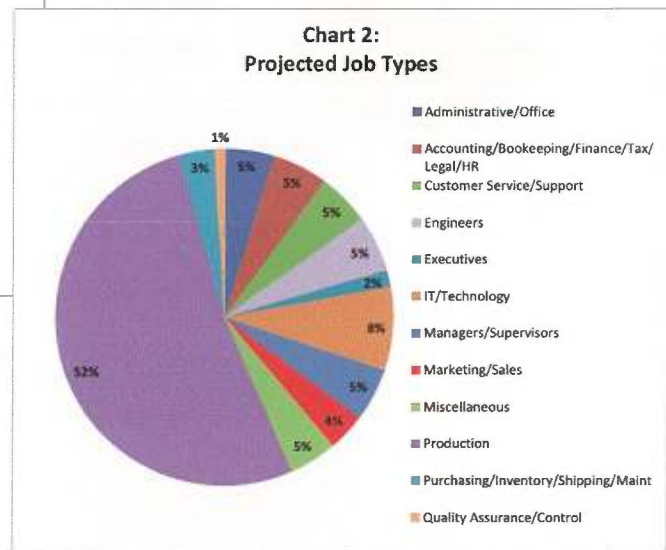
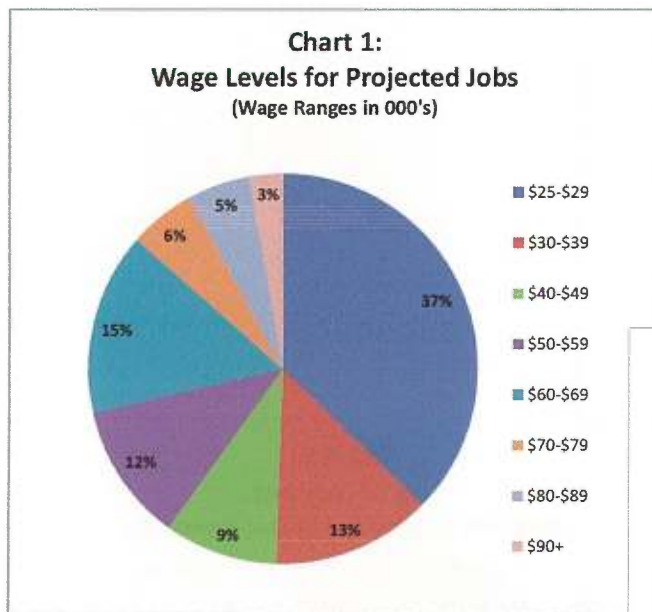
less to employment at a company. While most employees will come from the immediate area, many Vermonters cross county and regional borders for employment. The extensive business-to-business relationships, exceeding \$87 million in value each year, also occur regardless of regional boundaries.

Chart 11 shows the regional distribution of the direct, new, qualifying jobs that are projected to be created. As with Charts 9 and 10, there is direct impact in all regions except for Addison County. However, Vermonters from all regions will fill these jobs and all regions will benefit from the job creation and capital investments. The projects that have been authorized for incentives will generate an estimated 2,800 indirect jobs all around the State and the companies estimate over \$87 million in annual business-to-business (vendor, supplier, customer, and client) interactions with other Vermont companies.



Governor Shumlin joins Mylan Technologies officials for a ribbon-cutting to celebrate their expansion in St Albans.

Supplemental Data: Active Applications



Data includes 37 Approved, Active applications only.

Supplemental Data: Active Applications

Chart 3:
Percent of Health Care Paid by Employer
(By percent of total companies in each range)

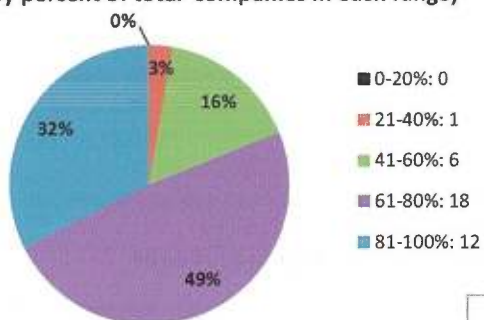
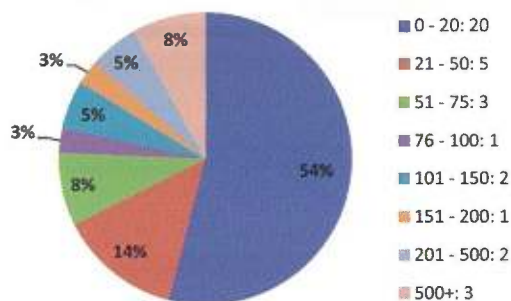


Chart 4:
Size of Business
(by # of FT employees at time of application)



Data includes 37 Approved, Active applications only.

Supplemental Data: Active Applications

Chart 5:
Type of Economic Development Project
(Percentage of total number of projects)

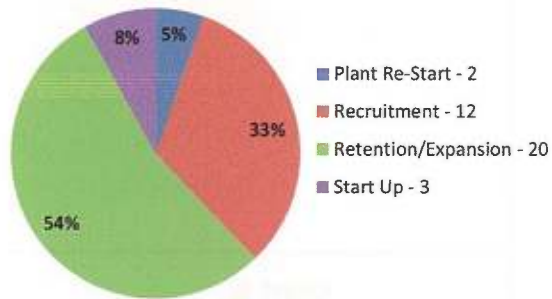
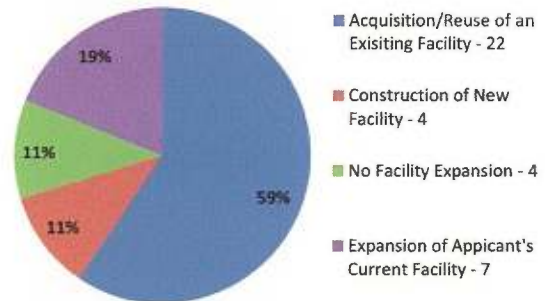


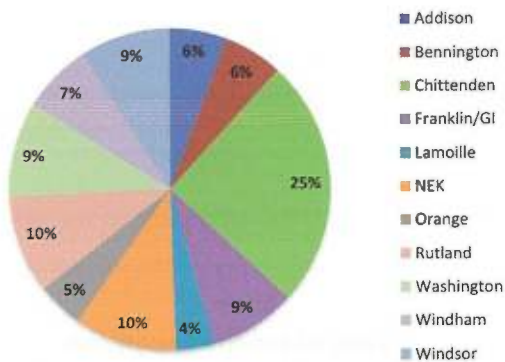
Chart 6:
Type of Facility Expansion
(Percentage of total number of projects)



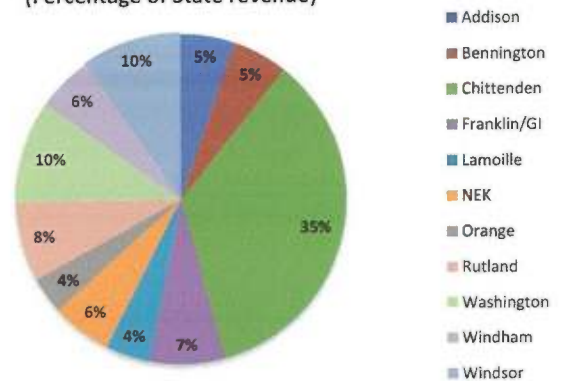
Data includes 37 Approved, Active applications only.

Supplemental Data: Active Applications

**Chart 7:
2010 Population Census Data**

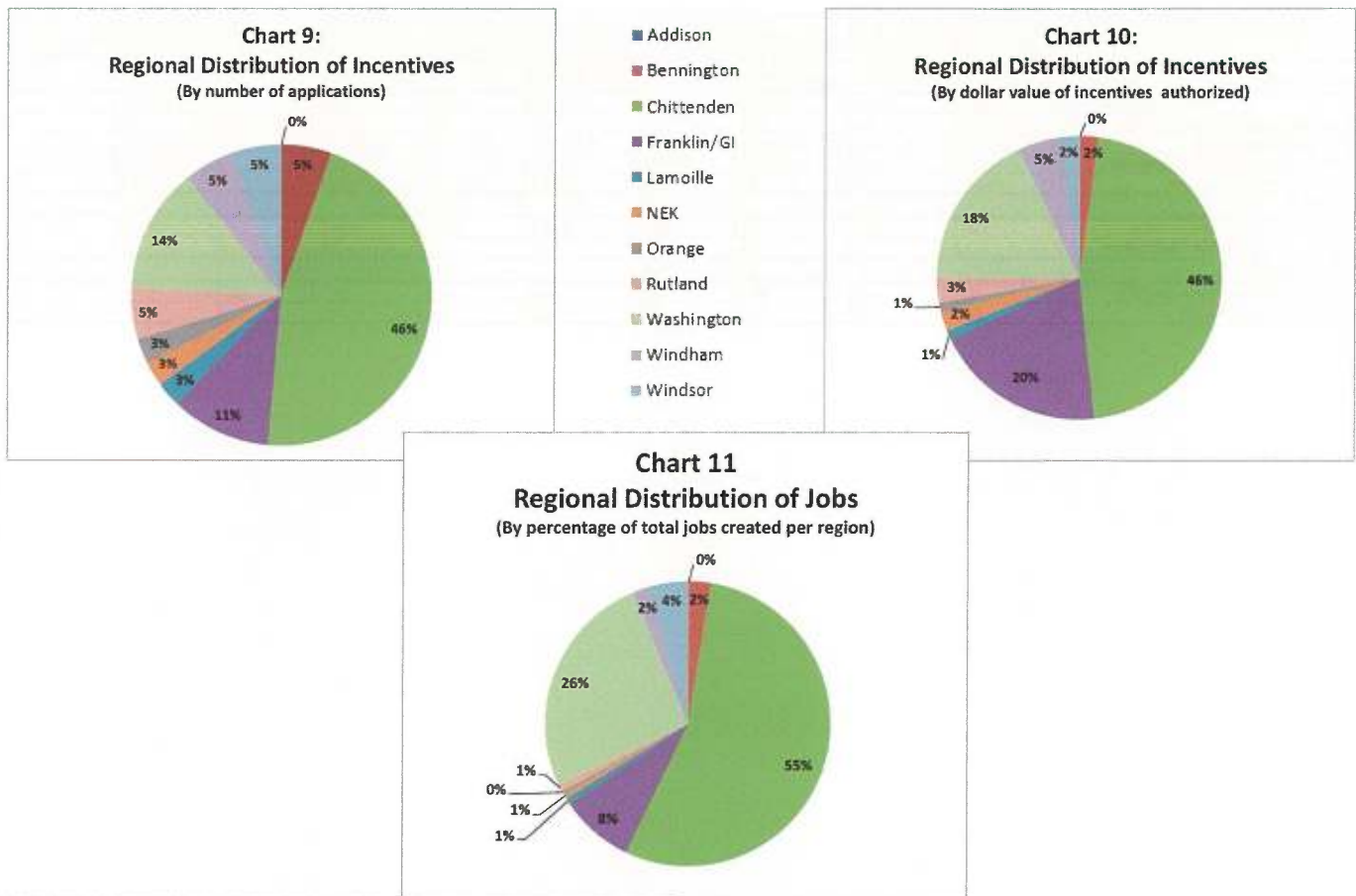


**Chart 8:
2011 Personal Income Tax
(Percentage of State revenue)**



Data includes 37 Approved, Active applications only.

Supplemental Data: Active Applications



Performance Measures

AS OF DECEMBER 31, 2012	2009		2010		2011		2012		2013	
	Benchmark	Actual	Benchmark	Actual	Benchmark	Actual	Benchmark	Actual	Benchmark	Actual
OUTCOME:	(All outcome measures are set by aggregated data of all active authorized VEGI applications)									
For Incentive Level of:	\$ 551,616	\$ 654,370	\$ 1,200,349	\$ 1,165,705	\$ 2,055,255	\$ 1,214,255	\$ 4,394,514		\$ 5,672,147	
New Qualifying Employees (NQE):	154	265	379	606	559	844	780		500	
New Qualifying Payroll:	\$ 8,280,856	\$ 16,137,468	\$ 19,958,441	\$ 34,556,726	\$ 25,666,420	\$ 54,293,629	\$ 35,566,314		\$ 21,997,262	
New Qualifying Capital Investments	\$ 21,741,906	\$ 28,100,875	\$ 39,537,667	\$ 47,475,449	\$ 93,613,730	\$ 121,412,913	\$ 179,786,229		\$ 145,219,229	
Net New Revenues to State	\$ 1,738,557	\$ 2,203,300	\$ 3,641,970	\$ 4,360,200	\$ 5,833,368	\$ 8,200,700	\$ 4,984,288		\$ 7,315,873	
OUTPUT:										
Net Revenue Generated Per NQE	\$ 11,289	\$ 8,314	\$ 9,609	\$ 7,195	\$ 10,454	\$ 9,716	\$ 6,390		\$ 14,632	
Number of Applications Considered	22	26	22	23	25	22	30	14	20	
EFFICIENCY:										
Modeling Cost Per Application (FY)	\$ 365	\$ 365	\$ 365	\$ 322	\$ 350	\$ 620	\$ 325	\$ 1,086	\$ 716	
Budgetary Cost Per NQE	\$ 1,067	\$ 1,105	\$ 509	\$ 390	\$ 476	\$ 213	\$ 422			

Endnotes

- 1 It is not possible to know this information until a company has completed an entire earning period. No company has completed an earning period yet. Table 4 includes information on the aggregate number of companies that met targets each year.
- 2 Active-Initial indicates that an Initial Application was approved and the applicant still needs to file a Final Application for incentives to be authorized. Active-Final indicates a Final Application has been submitted, approved and incentives are authorized. Denied indicates that an application was submitted and was denied by the VEPC Board. Rescinded indicates that an Initial Application was approved, but a Final Application was never filed; therefore, the Initial Approval is rescinded. Terminated indicates that the authority to earn additional incentives is terminated. This may occur for many reasons, including failure to file a VEGI claim, failure to meet targets for three consecutive years, or if the applicant pulls out of the program because a project did not or will not occur. Terminated/Recapture indicates the authority to earn incentives is terminated and the company has earned some incentives, which must be recaptured.
- 3 Green indicates incentive enhancement for environmental technology companies. See 32 VSA 5930b(g). Sub.5 indicates incentive enhancement for projects in high unemployment, low economic activity areas. See 32 VSA 5930b(b)(5). LBW or Look Back Waived indicates a waiver of adjustment due to drop in employment. See 32 VSA 5930a(c)(1). Ed Tax Stabil indicates applicant chose stabilization of incremental Education Property Tax as incentive instead of or in addition to cash payments.
- 4 Includes Initial and Final Applications
- 5 See footnote 2
- 6 "Green VEGI" authorizations are those approved for environmental technology companies in accordance with 32 VSA Section 5930b(g).
- 7 Cap is \$10,000,000 for each calendar year, except that the Emergency Board increased the cap to \$23 million for CY2010 and \$18 million for CY2011. Cap balances do not carry forward to the next year.
- 8 The VEGI program cannot provide incentives for job retention. However, if a Vermont company receives incentives to expand in Vermont, an additional benefit to the State is the retention of current employment.
- 9 This number represents the new full-time jobs projected which will pay a wage at or under the VEGI wage threshold (non-qualified jobs). The jobs are created because of the incentive, but the payroll from these jobs cannot be counted toward the incentive calculation.
- 10 Indirect jobs are estimated by the VEGI cost-benefit model according to a multiplier factor for the particular region and sector of the project. These are the jobs created at other businesses in Vermont because of the project receiving the incentive.
- 11 All new payroll projected as new to Vermont due to the incentive, including for companies recruited to Vermont, is subject to a background growth calculation. This calculation discounts a portion of the new payroll that will be generated because of the incentive according to a factor for each business sector, thereby reducing the level of new payroll that is used to calculate the amount of incentive the applicant can earn. This payroll is considered "background" or "organic" or payroll that would have been created anyway. This number represents the amount of new payroll projected to be created in Vermont because of the incentive program, but for which no incentive will be earned or paid.
- 12 This number represents the average percentage of the health care costs for employees that are paid by the applicant companies. See Chart 3 for more detail on the level of health care paid by employers.
- 13 This represents an estimate of the level of interaction by applicant companies with other Vermont companies as vendors, suppliers, and customers.
- 14 Fiscal benefits and costs are estimated by an economic model. Majority of costs and benefits occur during the first five years of each project. The costs include not only the cost of the incentive, but also other revenue costs to the state such as new students in school and other services incurred by adding new people and buildings. Cost to pay incentive, if earned, continues for four years after the incentives are earned. Therefore, the State of Vermont receives the benefit of each project before all incentive costs are incurred. The revenue benefits of the new jobs and payroll continue to accrue to the state after the five year earning period, but that benefit is not accounted for in the modeling. Therefore, the net revenue benefit is conservative.

Contact Us

Fred Kenney
Vermont Economic Progress Council
Executive Director
Ph: (802) 828-5256
fred.kenney@state.vt.us

Brian Poulin
Vermont Department of Taxes
Tax Examiner III
Ph: (802) 828-6804
brian.poulin@state.vt.us



Jamie Eaton of Arlington and Christine Griffin of Dorset, RF Assemblers in the WCW, Inc. assembly plant in Manchester, VT.

*Report Produced in-house by the staff of the
Vermont Economic Progress Council
and Vermont Department of Taxes
© 2013 State of Vermont*

Commissioner's Office
103 South Main Street, Weeks 2
Waterbury VT 05671-1601
Voice (802) 871-3350
Fax (802) 871-3281

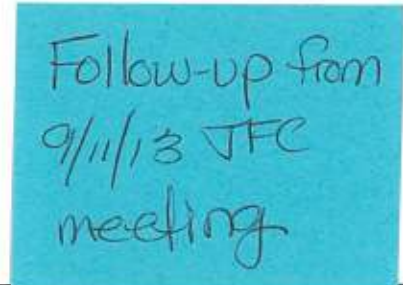
TO: Area Agencies on Aging, Executive Directors

FROM: Susan Wehry, Commissioner



DATE: October 1, 2013

RE: CFC Reinvestment in Nutrition



I am pleased to share our plans for distributing Choices for Care accelerated reinvestment funds to Vermont's Area Agencies on Aging to help combat senior hunger, food insecurity and nutrition needs.

As approved by the Joint Fiscal Committee of the Vermont legislature earlier this month through the provisions of Section E308.1(a) of Act 50 of 2013, DAIL will distribute \$210,000 of sfy2013 Choices for Care savings in the following reinvestments:

1. \$170,000 will be distributed to offset the impact of sequestration on Older Americans Act Congregate Nutrition Services (Title III C1) and Home-Delivered Nutrition Services (Title III C2). This amount will offset the difference between the FFY12 and FFY13 awards for congregate meals (Title IIIC1, \$113,668) and home delivered meals (Title IIIC2, \$56,135). Consistent with the provisions of the Older Americans Act, the Vermont State Plan on Aging, and legislative testimony, these funds will be distributed to Vermont's five Area Agencies on Aging through the Intrastate Funding Formula to support these nutrition services. The distribution is described in detail in the attachment. It is one time funding.
2. \$40,000 will be awarded to support innovative person-centered, community-based approaches to reducing nutrition risk among older adults at high nutritional and social risk who receive home delivered meals. Funds will be awarded on a competitive basis through one or more grant awards to Vermont Area Agencies on Aging. Successful proposals are expected to be evidence-based or evidence-informed, with performance or outcome measures. Approaches may include nutrition consultation, nutrition counseling/education, nutrition care management, nutritionist participation on interdisciplinary care management teams, nutrition supplements, or other new approaches. Mary Woodruff is developing procedures for soliciting and evaluating proposals from interested Area Agencies on Aging, with the goal of distributing the available funds through one or more grant awards. Our timeline for distributing these funds is as follows: distribute proposal format and process to the five AAAs in the first week of October; responses will be due 3 weeks later; review and selection of proposals completed within a week of the due date; routing of agreements in early November; official start date in December.

If you have any questions, please contact Mary Woodruff at Mary.Woodruff@state.vt.us or 802.871.3206.

Cc: Representative Martha Heath, Chair, Joint Fiscal Committee
Senator Jane Kitchel, Vice- Chair, Joint Fiscal Committee

Additional Choices for Care Nutrition One-Time Funding (Mandated by Legislature to mitigate effects of sequestration)

COHORT FACTORS

		Central	Champlain	North East	South East	South West
Age	1.000000	0.1923182	0.3282393	0.1171247	0.1828028	0.1795151
OAP	1.000000	0.1847507	0.3064516	0.1973607	0.1486804	0.1627566
POV125	1.000000	0.1993461	0.2706548	0.1785809	0.1784042	0.1730140

Title IIIC-1		113,801	Additional Choices for Care Nutrition One-Time Funding (Mandated by Legislature to mitigate effects of sequestration)					
			Central	Champlain	North East	South East	South West	Total
Age	37,933		7,295	12,451	4,443	6,934	6,810	37,933
OAP	60,694		11,213	18,600	11,979	9,024	9,878	60,694
POV125	15,174		3,025	4,107	2,710	2,707	2,625	15,174
Total	113,801		21,533	35,158	19,132	18,665	19,313	113,801
								113,801
								0.3333 distributed
								0.5333 distributed
								0.1333 distributed
								1.00 total

Title IIIC-2		56,199	Additional Choices for Care Nutrition One-Time Funding (Mandated by Legislature to mitigate effects of sequestration)					
			Central	Champlain	North East	South East	South West	Total
Age	18,733		3,603	6,149	2,194	3,424	3,363	18,733
OAP	29,973		5,538	9,185	5,915	4,457	4,878	29,973
POV125	7,493		1,494	2,028	1,338	1,337	1,296	7,493
Total	56,199		10,635	17,362	9,447	9,218	9,537	56,199
								56,199
								0.3333 distributed
								0.5333 distributed
								0.1333 distributed

Title IIIC-1 + Title IIIC-2			Central	Champlain	North East	South East	South West	Total
Age	56,666		10,898	18,600	6,637	10,358	10,173	56,666
OAP	90,667		16,751	27,785	17,894	13,481	14,756	90,667
POV125	22,667		4,519	6,135	4,048	4,044	3,921	22,667
Total CFC Nutrition One-Time Funding	170,000		32,168	52,520	28,579	27,883	28,850	170,000